



# City of Kawasaki

Investor Presentation, October 2012



**Finance Department  
Finance Bureau, City of Kawasaki**



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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 past. Now, it is home to numerous research and development organizations and companies specializing in environmental issues, life sciences and other leading-edge science and technology fields. It is transforming into one of the world's top leading science and technology 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. Kawasaki City is rich in resources in the areas of culture, the arts, and sports, and boasts music colleges, 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 administration and fiscal reform," "concrete promotion of the new comprehensive planning," and "resident-led city development through 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, both from investors and the citizens of Kawasaki City.

川崎市長 阿部 孝夫



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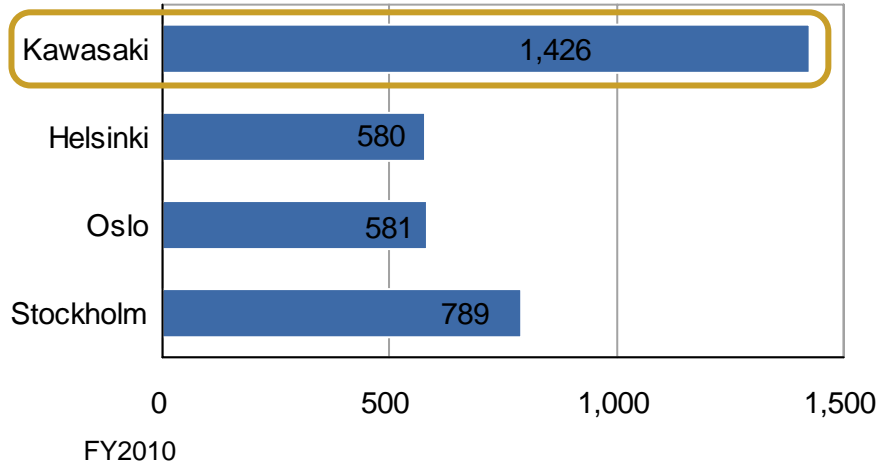
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# . Overview of Kawasaki

	Kawasaki	Japan
Population	1,438,170 (08/01/2012)	127,570,000 (08/01/2012)
Population growth rate	5.26% (2007 2012)	0.17% (2007 2012)
Average age	41.5 (10/01/2010)	44.9 (10/01/2010)
Labor force (percentage)	6,600,000 (46.2%) (FY2010)	62,410,000 (48.7%) (FY2010)

## Population

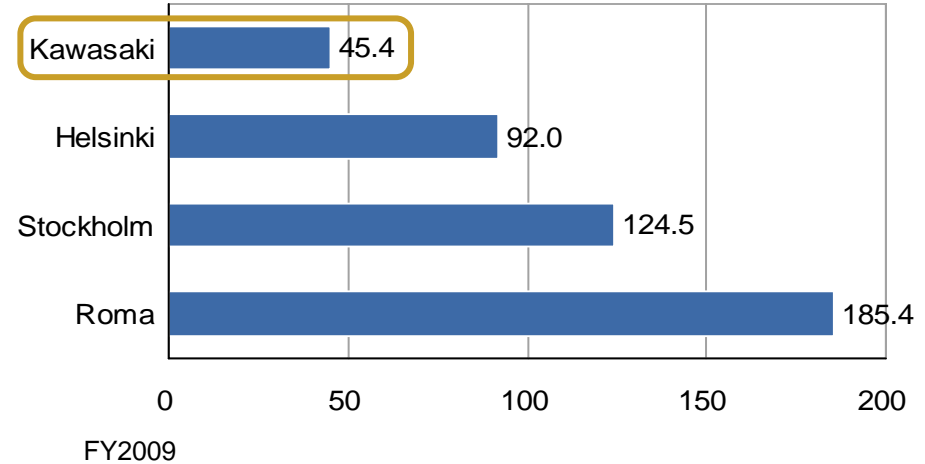
( thousands )



	Kawasaki	Japan
Households	672,050 (08/01/2012)	51,840,000 (10/01/2010)
Area	144.35 km <sup>2</sup>	377,929.99 km <sup>2</sup>
GDP	45.4 billion dollars (4.8 trillion yen) (FY2009)	5.04 trillion dollars (473 trillion yen) (FY2009)
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	
Registered foreign people	31,060 (2.2%) (06/30/2012)	2,134,151 (1.7%) (12/31/2010)
Foreign firms	115 (83 headquarters : 5th in Japan)	3,500

## GDP

( billion dollars )



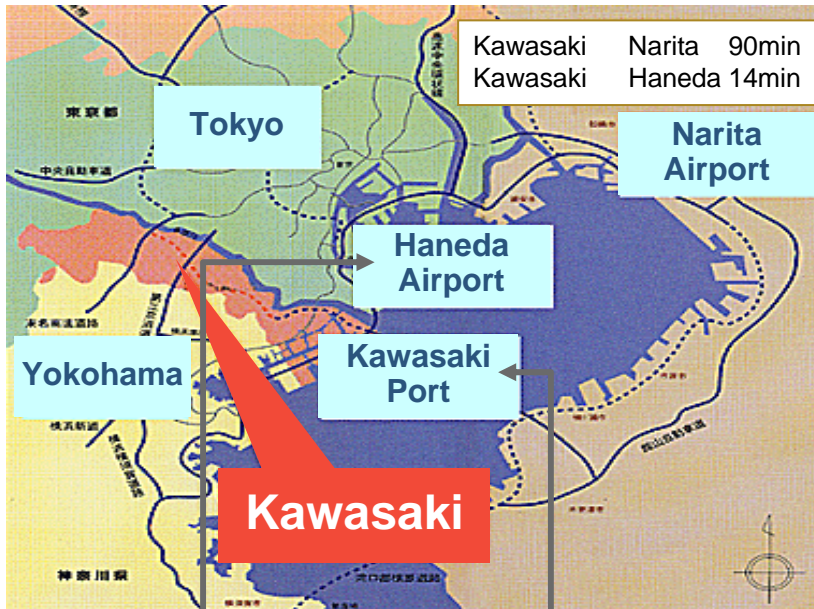
# . Characteristics and Advantages of Kawasaki

- |   |  |     |
|---|--|-----|
| 1 | Convenient access                        | P.4 |
| 2 | Top city for “industry and R&D”          | P.5 |
| 3 | Front-runner of Environmental Innovation | P.7 |
| 4 | Famous city for “art and culture”        | P.8 |





# Potential 1. Convenient access



Kawasaki Narita 90min  
Kawasaki Haneda 14min

## Convenient access to airports

- 90 minutes to Narita Airport, 14 minutes to Haneda Airport

## Lots of railways and roads

- 19 minutes to Tokyo, 8 minutes to Yokohama (via railways)

## Extension and internationalization of Haneda Airport (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 KING SKYFRONT  
(building a site for life innovation and green innovation which can make contribution to the world)



Haneda airport  
Tokyo Bay  
New runway 2,500m



source : Haneda Airport Expansion Project JV

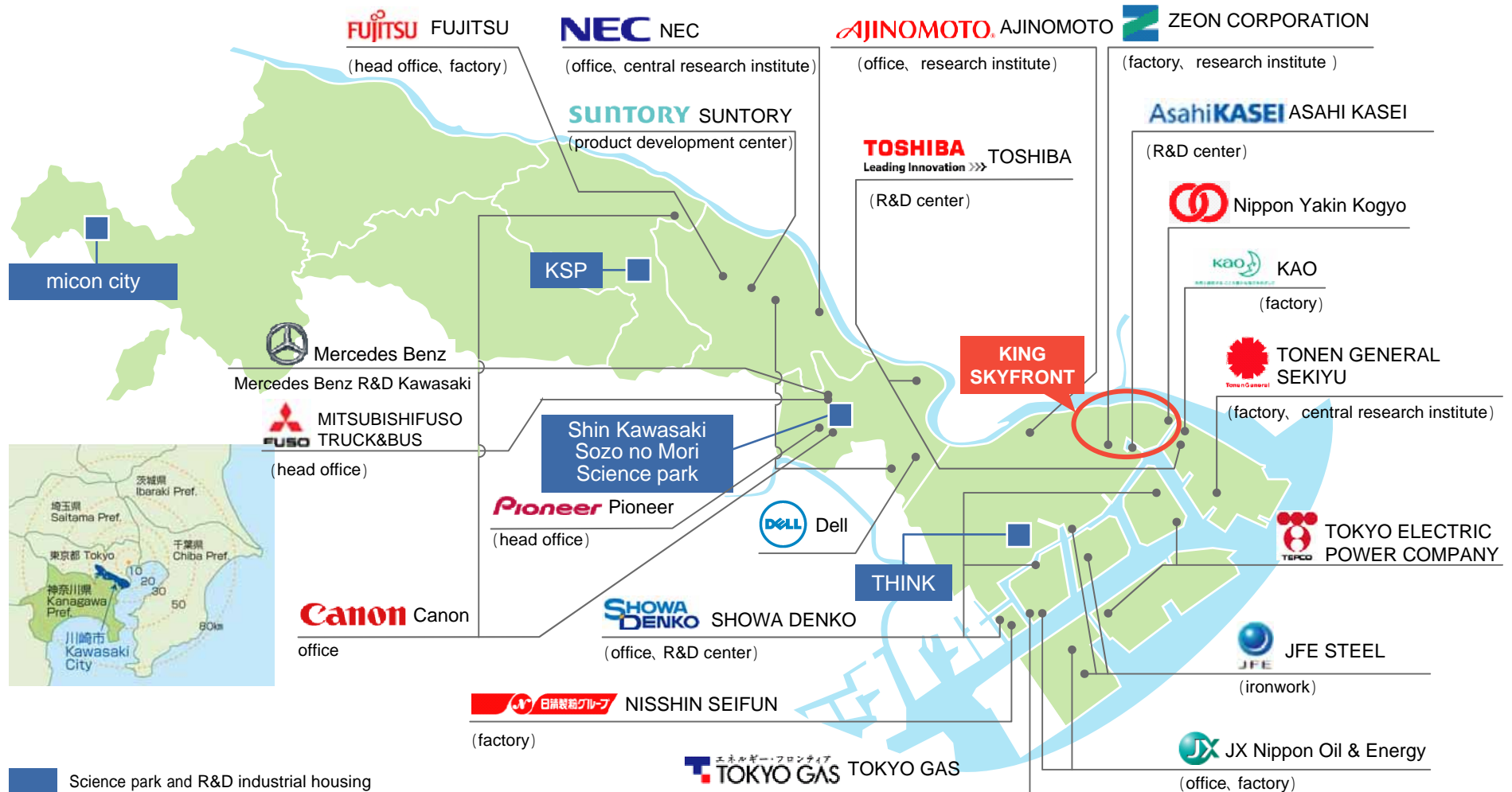
Further expansion will ultimately increase capacity by 1.4 times

Pre 2010/10	Now	When completed in 2014/3
303,000 flights/year (o/w 9,000 are int'l flights)	390,000 flights/year (o/w 60,000 are int'l flights)	447,000 flights/year (o/w 90,000 are int'l flights)



# 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 127 firms (April 2012)

KSP



### Shin-Kawasaki Sozo no Mori Science Park (KBIC, K<sup>2</sup>)

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

- (Collaboration between academia and industry)
- New university-industry-government joint research center for nano-micro technology
  - 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)

“NANOBIK” Opened in April 2012

R&D basis formation of advanced science and technology with accumulations of companies in future-oriented industries  
Home to 16 firms and 8 university research projects (April 2012)  
Home to 13 university research projects (April 2012)

KBIC



NANOBIK Research Center

### Techno Hub Innovation Kawasaki (THINK)

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

- (Led by private organization)
- Home to 54 firms (April 2012)

Th!nk  
Techno Hub  
Innovation  
Kawasaki



## 2 - 3 Approach to Establishing a International Strategic Site Focused on KING SKYFRONT

### Formation of international strategy basis in life science and environmental areas

- Operation of Joint Research Center of Regeneration Medicine and 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



“Nature” 2009/5/28 “Nature” 2012/9/20



Joint Research Center of  
Regeneration Medicine and New  
Drug Development  
Operated from July 2011



# Potential 3. Front-runner of Environmental Innovation

## 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, citizens and the 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

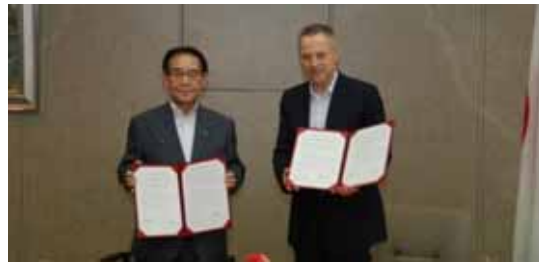
### Mega Solor (Ukisima Island)



Built one of the largest mega-solar power plants in waterfront areas in collaboration with private company

- Ukisima (Operated in August 2011)
- Oogisima (Operated in December 2011)

Capacity 20,000kW (cover 5,900 households needs)



**Dialog with Denmark on economy and industry**  
 As an effort in environment, welfare and life science sectors, Kawasaki City and the embassy of Denmark in July 2012 signed a memorandum of understanding regarding dialog on the economy and industry.

Source: electromobile research group of Keio university



Electromobile developed at K2 town campus 'Eliica'  
**Able to run 100 km by ¥100 electricity**



Recycling factory producing resin for pet bottles by using old pet bottles  
**PET REFINE TECHNOLOGY Co.,Ltd**



# Potential 4. Famous City for “Art and Culture”

## Kawasaki : City of music



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



Pipe organ placed at the Muza Kawasaki  
Syphony Hall



Vienna Philharmonic Orchestra  
(11/2010)

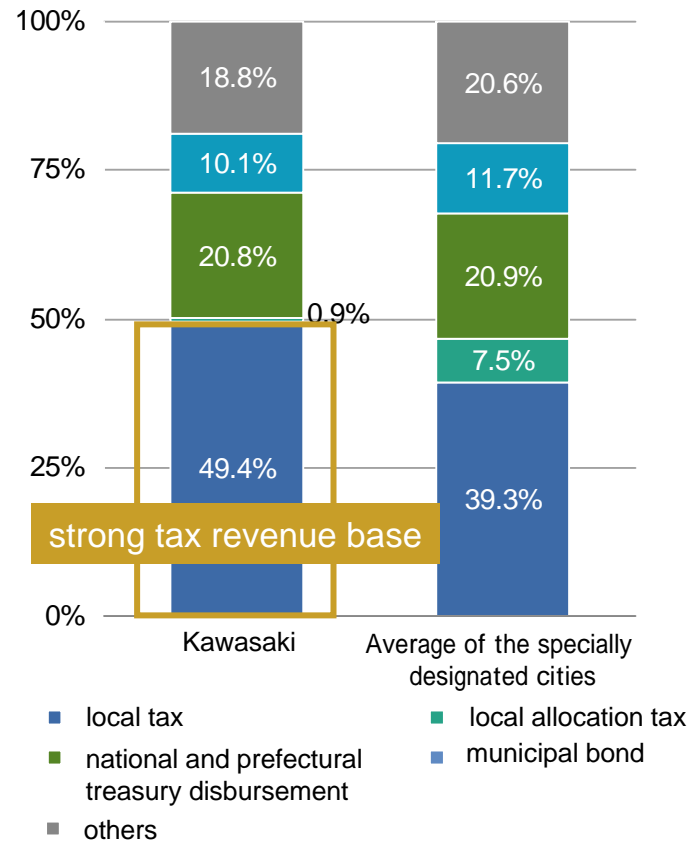


Montreux Jazz Festival, one of the three major international jazz festivals, was held in Kawasaki in November 2011 (and will be held again in November 2012)

# . Financial Position of Kawasaki

## Revenue structure (general account)

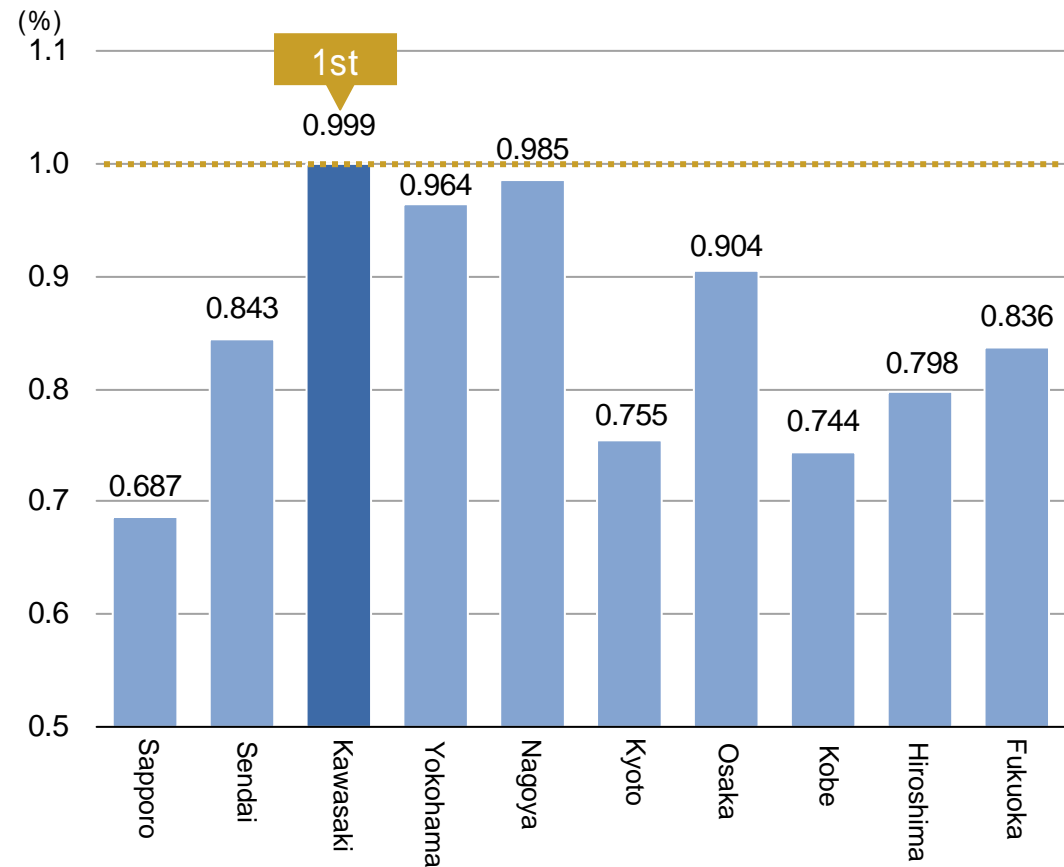
Higher percentage of local tax in Revenue



\* Comparison of the specially designated cities based on the settlement of accounts (FY2011)

## Financial index

FY 2012 Financial index: ranked 1st at 0.999



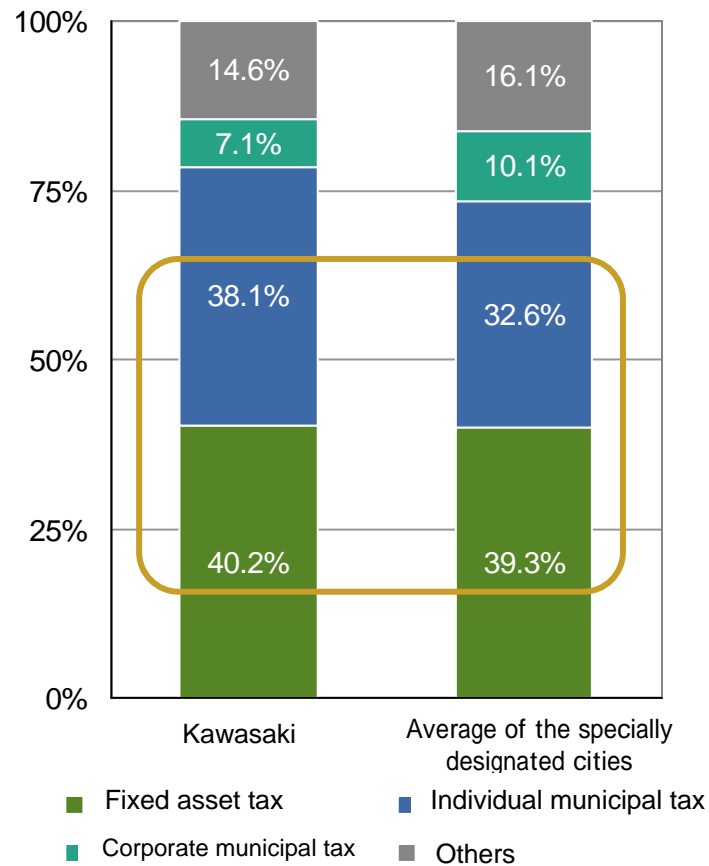
\* Average index between FY2010 to FY2012

\* Calculated by the Kawasaki City based on the data of each city

# . Financial Position of Kawasaki

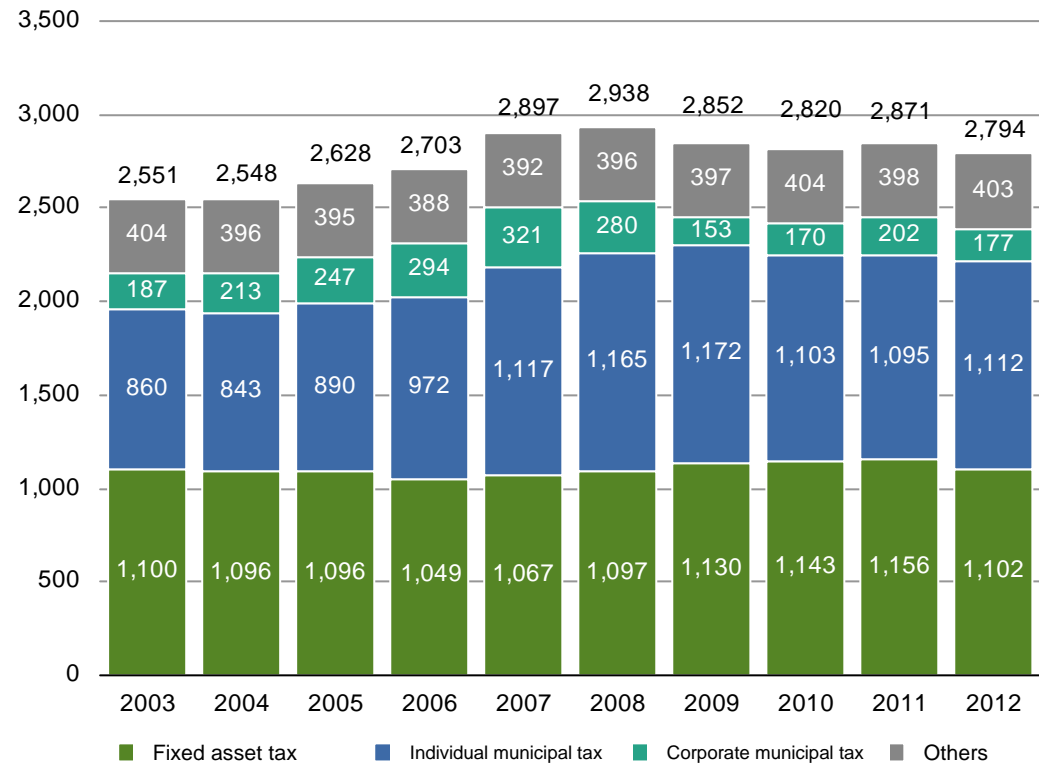
## Analysis of Tax Revenue Structure

### Stable tax revenue structure



### State of tax revenue

(100 million yen)



\* Comparison of the specially designated cities based on the settlement of accounts (FY2011)

\*Initial budget (FY2012)

# Kawasaki City Bonds

## FY2012 Kawasaki City Bond Issue Plan

- Of 147.7 billion yen of all accounts, private funds are 129.8 billion yen (88%)
- The amount of public offering bonds is 100 billion yen (67%), of which the amount of Kawasaki individual bonds is 76 billion yen (51%)
- The total issue amount of bank, etc. underwritten bonds is 29.8 billion yen (20%)

billion yen

Category			Term (year)	Sum	2012							2013			Spot	TBD		
					4	5	6	7	8	9	10	11	12	1			2	3
Public offering bond	Individual bond	Nationwide market public offering local govt bond	5	28		7		7			7			7				
			10	10								10						
			Super long	30	10		10										10	
			Flex (mid to long term)	8													8	
	Joint local government bond	10	24		5		5	5			5		4					
Subtotal				<b>100</b>														
Bank, etc. underwritten bonds	Securities issue or certificate issue	5	11.1											1.1		10		
		10	14.3											4.3		10		
		Super long	4.4													4.4		
	Subtotal				<b>29.8</b>													
Public funds				<b>17.9</b>														
Total				<b>147.7</b>														

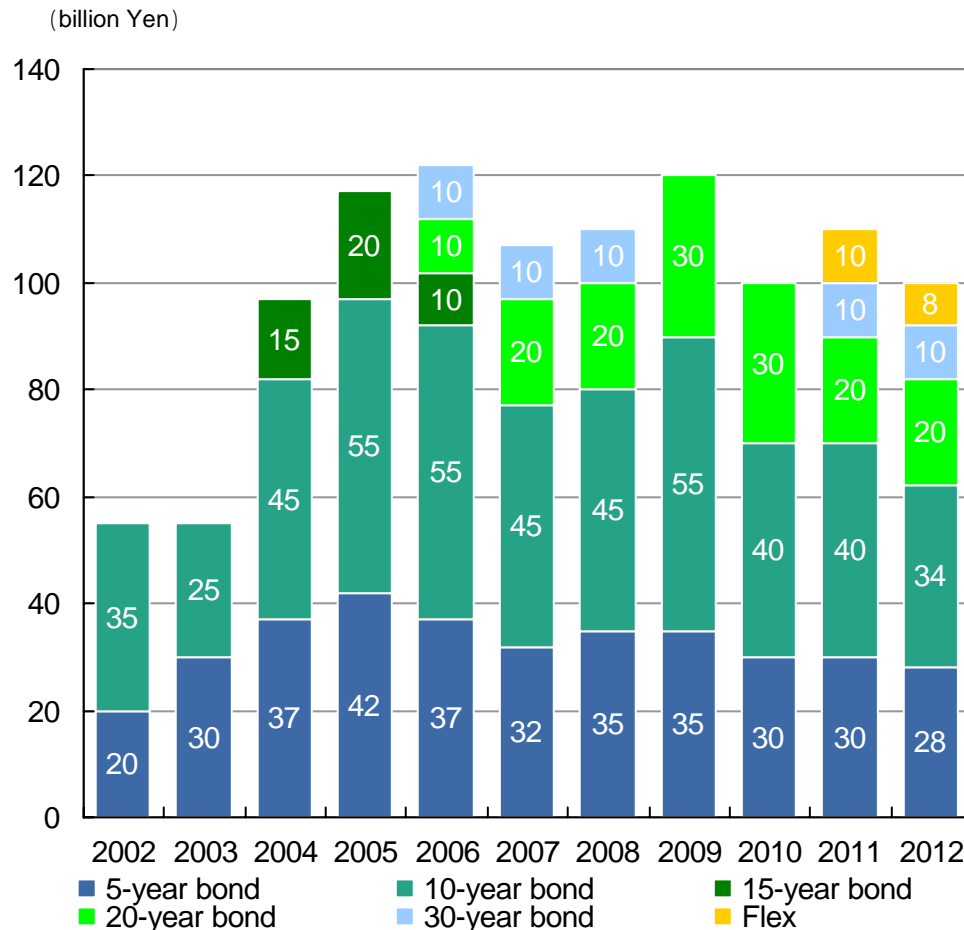
- Issuance of mid-term (1/3), long-term (1/3), and super long-term (1/3) to reduce interest-rate fluctuation risk, etc.
- Independent, self-reliant fund-raising from the market. The ratio of private funds to public funds is about 9 to1.



# 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.

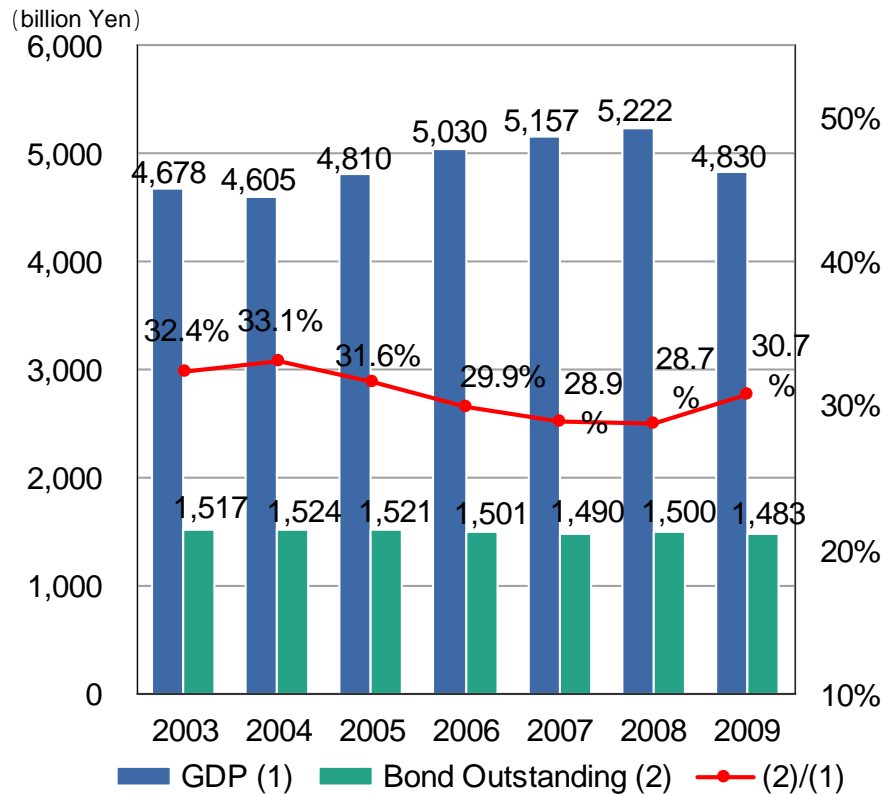
For further details, please visit the website of Japan Local Government Bond Association

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 30.7% (FY2009)



\* 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>

City of Kawasaki  
Investor Relations Website

Updated Information about Publicly Offered Kawasaki Municipal Bonds

Term	Nominal Interestrate (%)	Issue price	Terms & conditions finalization date	Issue date	Over-the-counter sale period
2-year municipal bonds	0.08%	99.99 JPY	Nov. 24, 2011	Dec. 13, 2011	
5-year municipal bonds	0.22%	99.99 JPY	Jul. 10, 2012	Jul. 31, 2012	Jul. 11-25, 2012
10-year municipal bonds	0.87%	99.99 JPY	Jan. 13, 2012	Jan. 27, 2012	Jan. 16-23, 2012
20-year municipal bonds	1.790%	100 JPY	Apr. 19, 2012	Apr. 27, 2012	
30-year municipal bonds	2.087%	100 JPY	Jun. 14, 2012	Jun. 25, 2012	

Municipal Bond Issue Plan  
About the Kawasaki municipal bond issue

Municipal Bonds Issued  
About municipal bonds actually issued by

# 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 SKYFRONT
- Promotes Showcasing of Environmental Technologies in All Over Kawasaki City

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- 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 2012



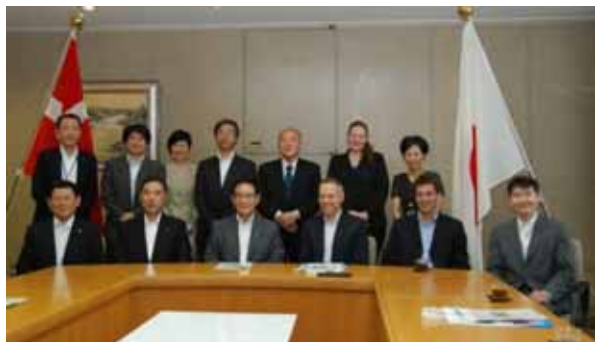
2012/2/10-11 @Kawasaki

Participants	136 organizations 226 booths
No. of visitors	13,500

- Environmental professionals gathered
- International business-matching opportunity

\*Next exhibition will be held in January 2013.

### Economy/Industry Dialog with Denmark



Kawasaki City and the embassy of Denmark in July 2012 signed a memorandum of understanding regarding dialog on the economy and industry.

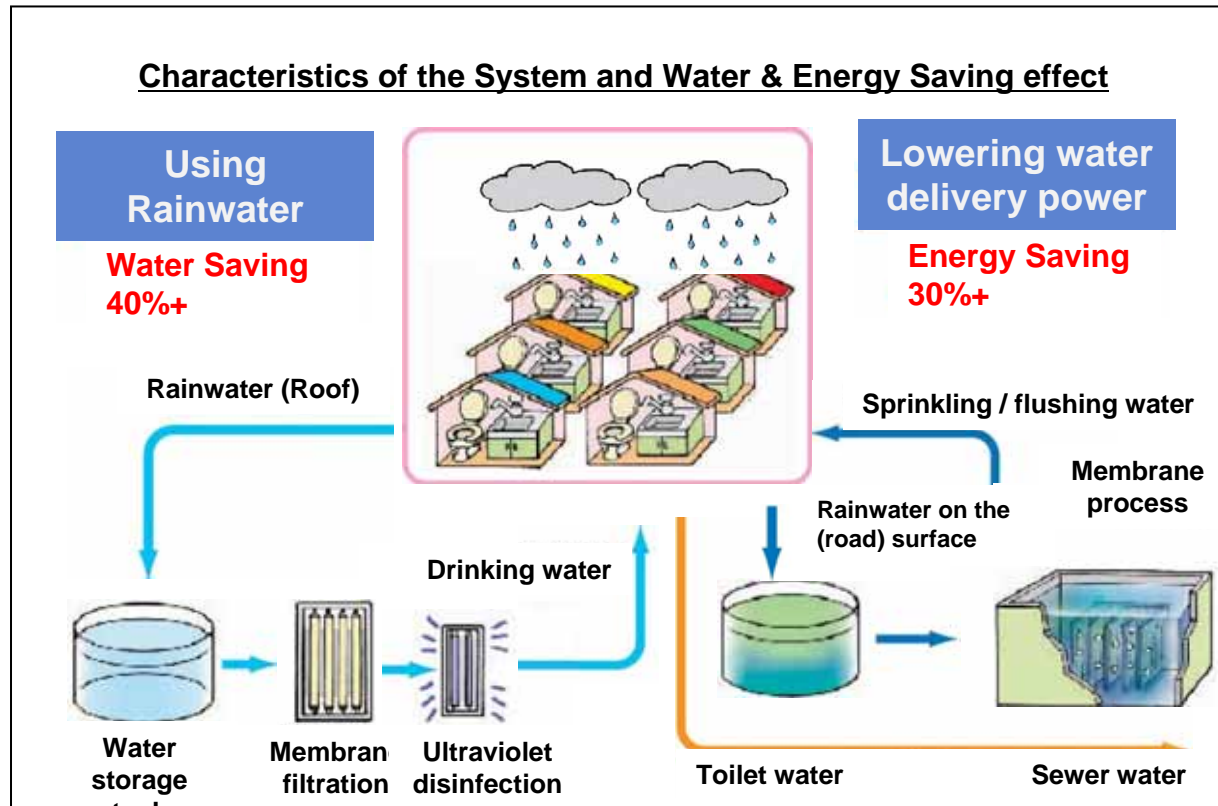
### Asian Forum on Intellectual Property





# 1. International Contribution with World-Class Technologies

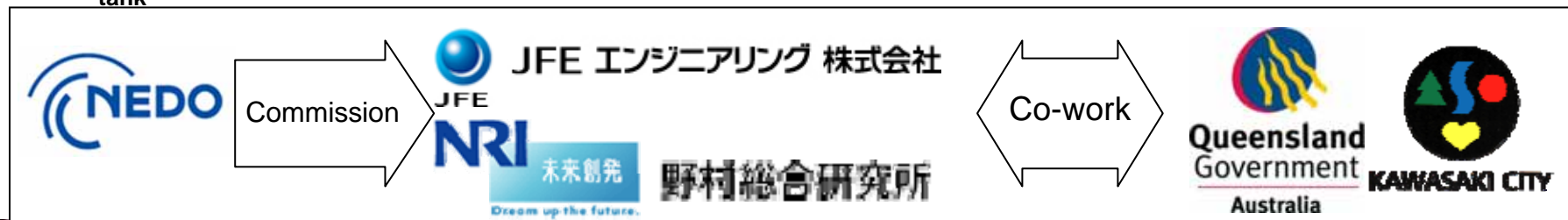
## Water Resources Project with Australia, State of Queensland



July 2009  
Project Start

↓

FY2014  
Commercialization



# 1. International Contribution with World-Class Technologies

## Internationally Competing Facility of Life Science and Environment in KING SKYFRONT

Kawasaki Innovation Gateway at SKYFRONT (Tonomachi area)

Attracting research institutes and corporations by supporting international competition



Haneda Airport International Terminal

Tonomachi area

Basic 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

<1<sup>st</sup> 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 started in July 2011.
- Pioneering research institute in Tonomachi area

<2<sup>nd</sup> stage>

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

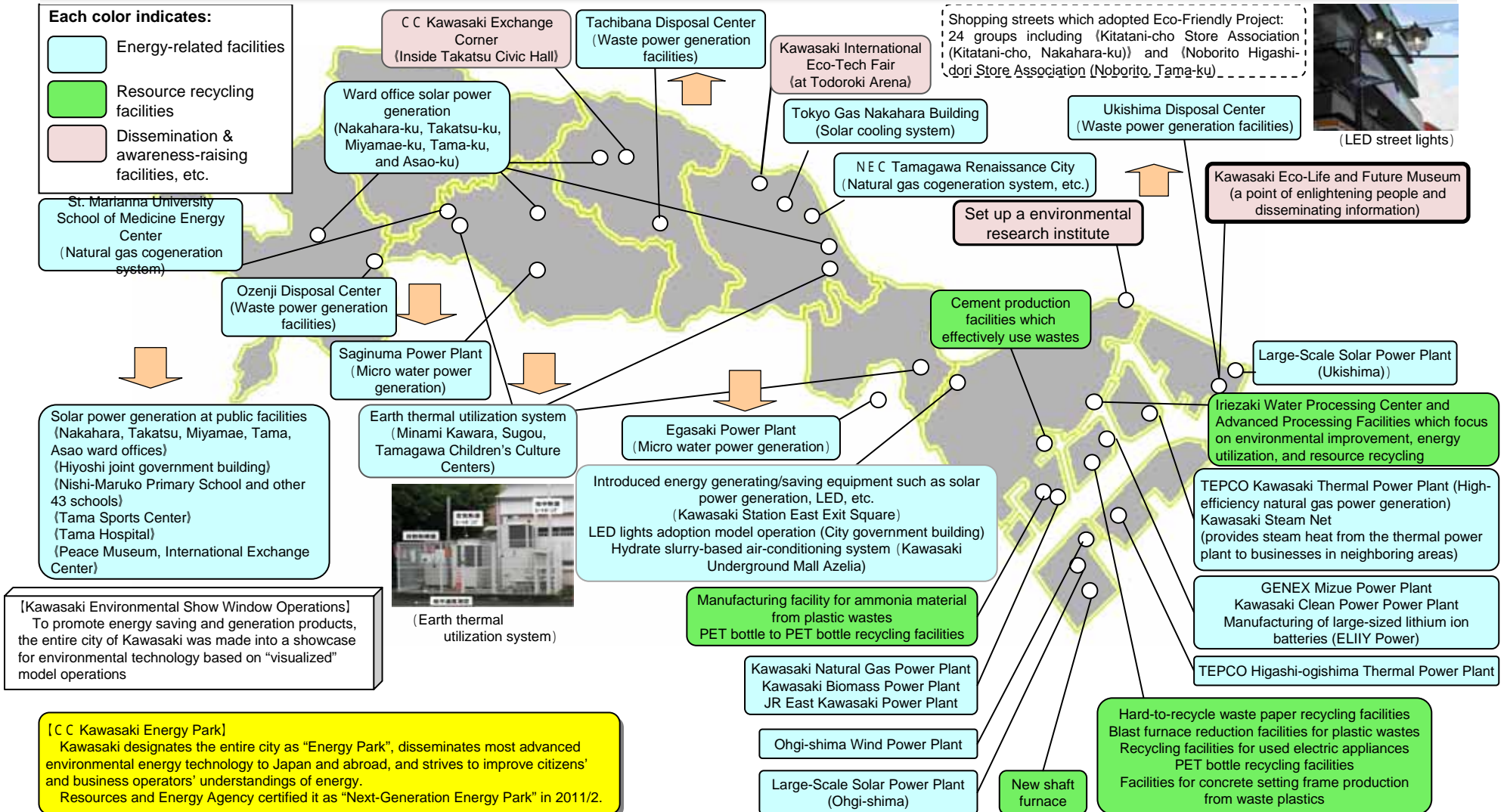
Environmental Research Institute Tokyo, Health and Safety Research Center will move into.  
 Attracting other research institutes



- Groundbreaking in December 2011
- Operation start in January 2013

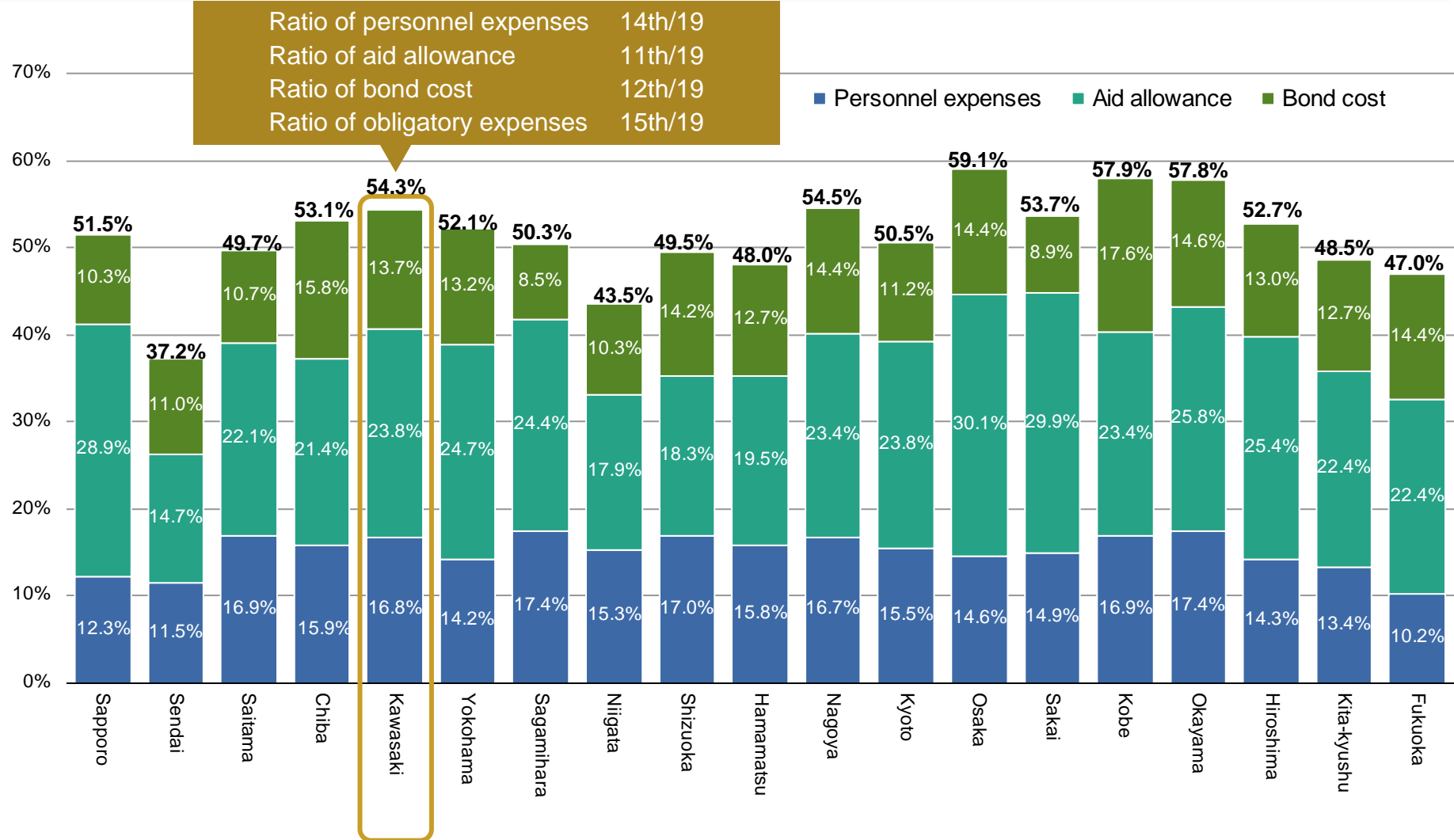
# 1. International Contribution with World-Class Technologies

## Promotes Showcasing of Environmental Technologies in All Over Kawasaki City



## 2. Financial Data

### Analysis of Expenditure Structure (general account)



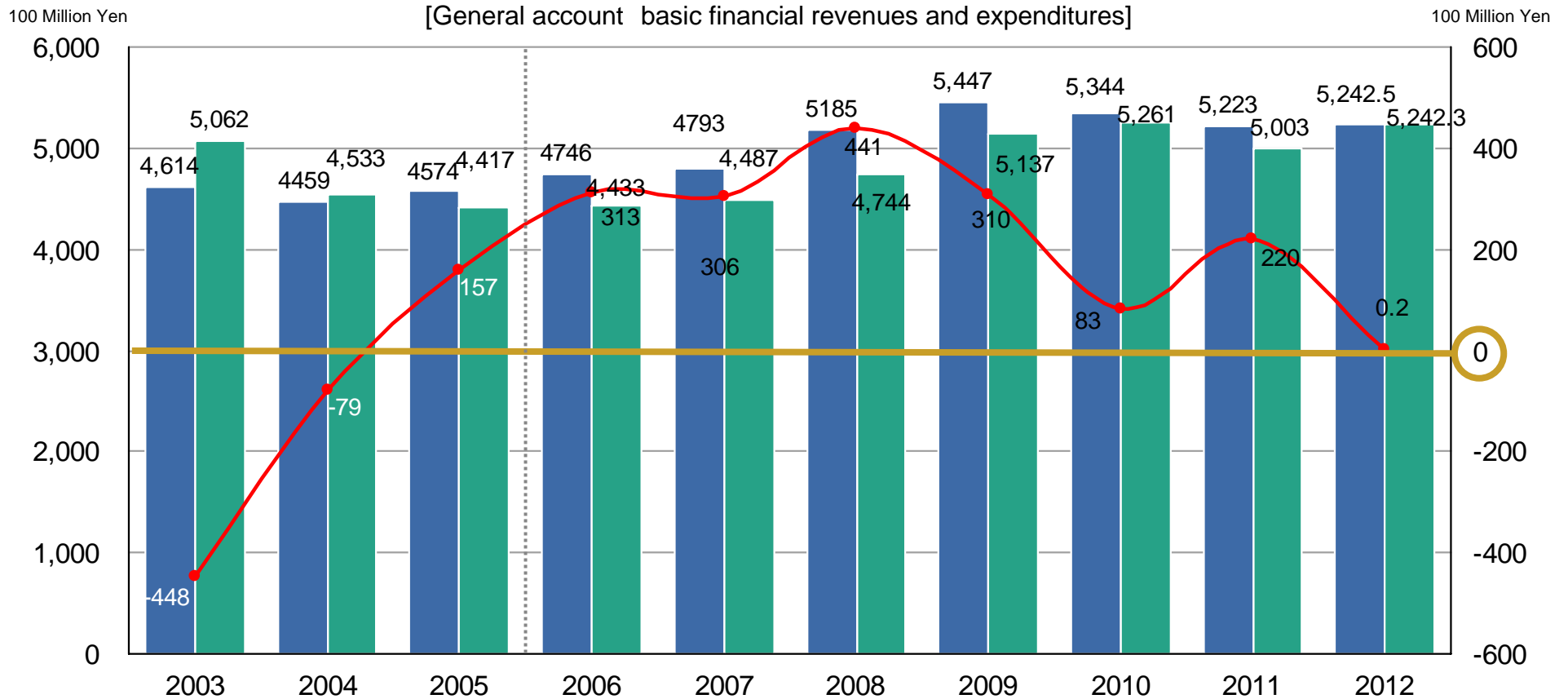
\*Specially designated cities (FY2011)



# 2. Financial Data

## Primary Balance

Positive scores since FY2005



■ Revenue excluding city bond issue ■ Expenditure excluding public bond issue ● Primary balance (right axis)

Initial budget (2012)



## 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 governments. (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	FY2011	FY2010	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	10.9%	11.9%	25.0%	35.0%
Future burden ratio	111.2%	120.0%	400.0%	

Capital shortfall ratio	FY2011	FY2010	Management Stabilizing Standard
Financial shortfall ratio (6public enterprises 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 the real debt service ratio and the 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 legal general tax, local allocation tax, special allocation tax, local transfer tax, traffic safety measure allocations, ordinary allocation tax)

The early financial soundness criterion

11.25%

The financial Rebuilding Criterion

20.00%

- Does not apply, as Kawasaki City has a 1.4bill. yen surplus.

### 2 Consolidated real deficit ratio

- The ratio of real deficit (or financial shortfall) in all accounts to the 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 1.4bill. yen surplus in ordinary account.
- Public enterprise account real deficit: No capital shortfalls in public enterprise accounts.

The early financial soundness criterion

16.25%

The financial Rebuilding Criterion

40.00%

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

## 2. Financial Data

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

#### 3 Real debt service ratio

- Ratio of redemption and quasi redemption of principal and interest of local bonds in general accounts to the standard financial scale (average of the 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: Quasi redemption of principal and interest of local bonds
- 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
2011	2010		
10.9%	11.9%	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 the 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 the 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, etc.

Kawasaki City		The early financial soundness criterion
2011	2010	
111.2%	120.0%	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		FY2006	FY2007
Assets	1. Tangible fixed assets	19,460	19,624
	2. Investments	2,008	2,104
	3. Current assets	276	298
	<b>Total assets</b>	<b>21,744</b>	<b>22,026</b>
Liabilities	1. Fixed liabilities	8,887	8,486
	(of which local government bonds)	8,119	7,763
	2. Current liabilities	579	870
	<b>Total liabilities</b>	<b>9,466</b>	<b>9,356</b>
Net Assets	1. National treasury disbursement	2,373	2,416
	2. Prefectural government treasury disbursement	238	233
	3. General fund, etc.	9,667	10,021
	<b>Total net assets</b>	<b>12,278</b>	<b>12,670</b>
Index	Net assets to total assets ratio (%)	56.5	57.5

#### Amended MIC Method Model

( 100 million yen, % )

Category		FY2008	FY2009	FY2010	Increase (Decrease)	Change (%)
Assets	1. Public assets	43,439	43,640	44,007	367	1
	2. Investments	1,990	2,023	2,126	103	5
	3. Current assets	1,235	1,188	1,333	145	12
	<b>Total assets</b>	<b>46,664</b>	<b>46,851</b>	<b>47,466</b>	<b>615</b>	<b>1</b>
Liabilities	1. Fixed liabilities	9,201	9,392	9,508	116	1
	(of which local government bonds)	8,322	8,542	8,677	135	2
	2. Current liabilities	1,309	954	1,136	182	19
	<b>Total liabilities</b>	<b>10,510</b>	<b>10,346</b>	<b>10,644</b>	<b>298</b>	<b>29</b>
Net Assets	1. National and prefectural subsidies for public assets improvement	2,858	2,917	3,007	90	3
	2. General revenue of public assets improvement	35,768	36,193	36,360	167	0
	3. Other general revenue, etc.	2,501	2,691	2,704	13	0
	4. Revaluation difference of assets	29	86	159	73	197
	<b>Total net assets</b>	<b>36,154</b>	<b>36,505</b>	<b>36,822</b>	<b>317</b>	<b>1</b>
Index	Net assets to total assets ratio (%)	77.5	77.9	77.6	0.3	-

## 2. Financial Data

### Comprehensive Balance Sheet of Kawasaki City (as of March 31, 2011)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprises account	Simple total	Combined total	
Assets	1. Public assets	44,007	1,196	10,454	55,657	55,657
	Tangible fixed assets	43,936	1,196	10,405	55,537	55,537
	Intangible assets	0	0	49	49	49
	Saleable assets	71	0	0	71	71
	2. Investments, etc.	2,126	253	242	2,621	1,657
	Investment and equity balance	1,454	0	116	1,570	606
	Loans receivable	290	37	0	327	327
	Funds, etc.	286	145	1	432	432
	Long-term delinquent loans	112	88	6	206	206
	Others	0	0	120	120	120
	Non-recoverable amounts	16	17	1	34	34
	3. Current assets	1,333	58	517	1,908	1,870
	Funds	81	23	341	445	419
	Accounts receivable	46	43	148	239	225
	Real estate for sale	0	0	0	0	0
	Others	1,210	0	29	1,239	1,239
	Non-recoverable amounts	4	8	1	13	13
	4. Deferred accounts	0	0	0	0	0
	<b>Total assets</b>	<b>47,466</b>	<b>1,507</b>	<b>11,213</b>	<b>60,186</b>	<b>59,184</b>

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprises account	Simple total	Combined total	
Liabilities	1. Fixed liabilities	9,508	160	4,776	14,444	14,444
	Local public entities	8,677	158	4,636	13,471	13,471
	Affiliated entities	0	0	0	0	0
	Long-term accounts payable	76	0	0	76	76
	Allowances	755	2	140	897	897
	Others	0	0	0	0	0
	2. Current liabilities	1,136	6	857	1,999	1,960
	Amount to be redeemed in the next fiscal year	960	5	583	1,548	1,548
	Short-term borrowings	0	0	0	0	0
	Accounts payable	6	0	227	233	194
	Retirement benefits payable in the next fiscal year	116	0	16	132	132
	Allowance for bonus	54	1	9	64	64
	Others	0	0	22	22	22
	<b>Total liabilities</b>	<b>10,644</b>	<b>166</b>	<b>5,633</b>	<b>16,443</b>	<b>16,404</b>
	<b>Total net assets</b>	<b>36,822</b>	<b>1,341</b>	<b>5,580</b>	<b>43,743</b>	<b>42,780</b>
	<b>Total liabilities and net assets</b>	<b>47,466</b>	<b>1,507</b>	<b>11,213</b>	<b>60,186</b>	<b>59,184</b>

## 2. Financial Data

### Balance Sheets Consolidated with Affiliated Entities (as of March 31, 2011)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprises account	Third Sectors, etc.	Simple total	Combined total
<b>1. Public assets</b>	44,007	1,196	10,454	1,070	56,727	56,727
Tangible fixed assets	43,936	1,196	10,405	842	56,379	56,379
Intangible assets	0	0	49	228	277	277
Saleable assets	71	0	0	0	71	71
<b>2. Investments, etc.</b>	2,126	253	242	346	2,967	1,758
Investment and equity balance	1,454	0	116	24	1,594	566
Loans receivable	290	37	0	184	511	330
Funds, etc.	286	145	1	10	442	442
Long-term delinquent loans	112	88	6	0	206	206
Others	0	0	120	130	250	250
Non-recoverable amounts	16	17	1	2	36	36
<b>3. Current assets</b>	1,333	58	517	135	2,043	2,000
Funds	81	23	341	94	539	511
Accounts receivable	46	43	148	13	250	235
Real estate for sale	0	0	0	0	0	0
Others	1,210	0	29	29	1,268	1,268
Non-recoverable amounts	4	8	1	1	14	14
<b>4. Deferred accounts</b>	0	0	0	0	0	0
<b>Total assets</b>	<b>47,466</b>	<b>1,507</b>	<b>11,213</b>	<b>1,551</b>	<b>61,737</b>	<b>60,485</b>

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprises account	Third Sectors, etc.	Simple total	Combined total
<b>1. Fixed liabilities</b>	9,508	160	4,776	1,097	15,541	15,368
Local public entities	8,677	158	4,636	0	13,471	13,471
Affiliated entities	0	0	0	715	715	542
Long-term accounts payable	76	0	0	186	262	262
Allowances	755	2	140	19	916	916
Others	0	0	0	177	177	177
<b>2. Current liabilities</b>	1,136	6	857	118	2,117	2,065
Amount to be redeemed in the next fiscal year	960	5	583	57	1,605	1,598
Short-term borrowings	0	0	0	1	1	1
Accounts payable	6	0	227	37	270	225
Retirement benefits payable in the next fiscal year	116	0	16	1	133	133
Allowance for bonus	54	1	9	0	64	64
Others	0	0	22	22	44	44
<b>Total liabilities</b>	<b>10,644</b>	<b>166</b>	<b>5,633</b>	<b>1,215</b>	<b>17,658</b>	<b>17,433</b>
<b>Total net assets</b>	<b>36,822</b>	<b>1,341</b>	<b>5,580</b>	<b>336</b>	<b>44,079</b>	<b>43,052</b>
<b>Total liabilities and net assets</b>	<b>47,466</b>	<b>1,507</b>	<b>11,213</b>	<b>1,551</b>	<b>61,737</b>	<b>60,485</b>



## 2. Financial Data

### Administrative Cost Statement (Ordinary Account)

#### Amended MIC Method Model

[ Administrative Cost ]

100 Million Yen, %

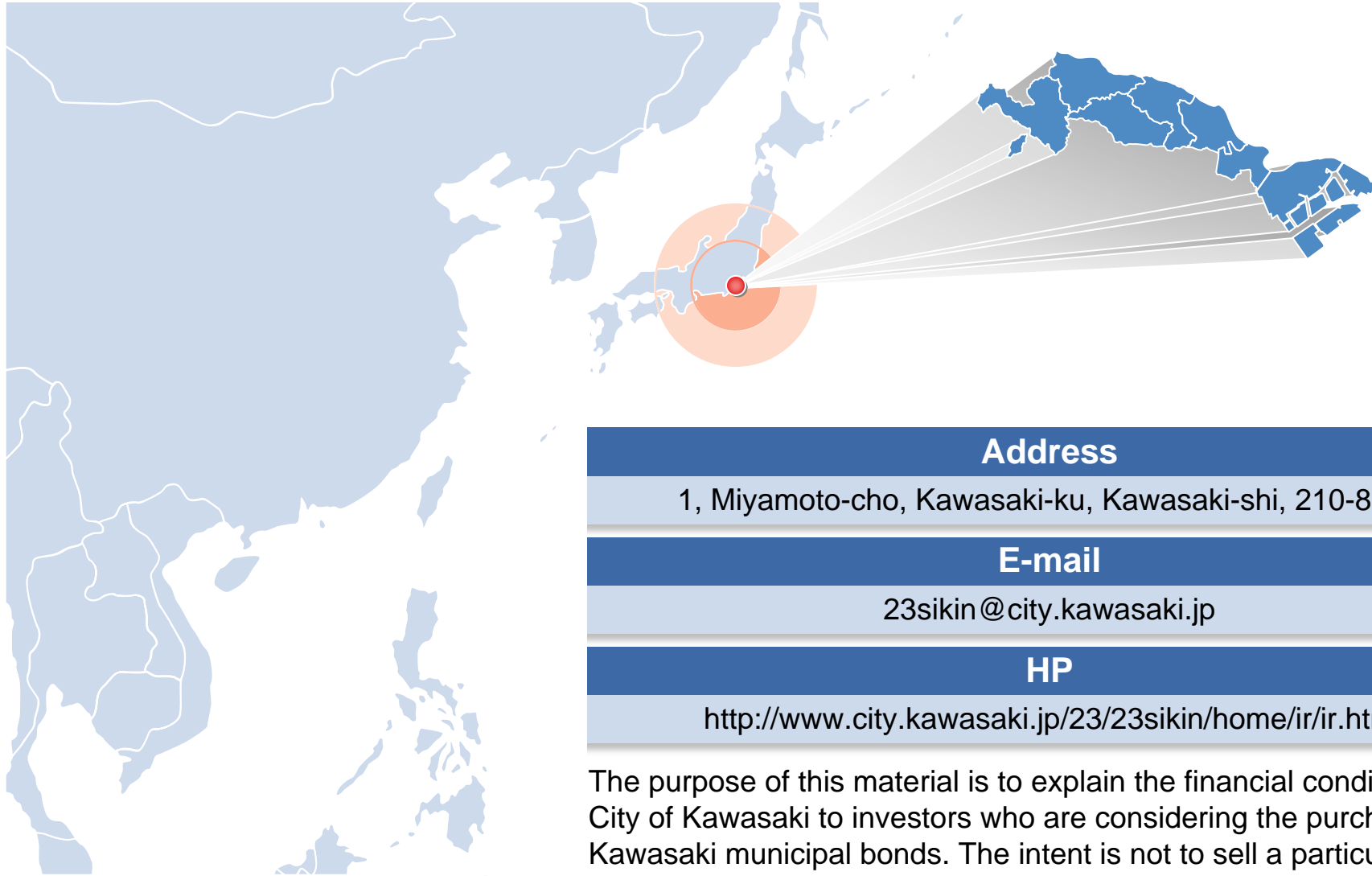
[ Ordinary Revenue ]

100 Million Yen, %

Item/Fiscal year	FY2009		FY2010		
	Amount	%	Amount	%	
Cost on personnel	(1) Personnel cost	857	19.6	841	19.1
	(2) Provision of allowance for retirement benefits, etc.	96	2.2	84	1.9
	(3) Provision of allowance for bonus	63	1.4	54	1.2
	Subtotal	1,016	23.2	979	22.2
Cost on equipment	(1) General expenses	564	12.9	555	12.6
	(2) Cost of maintenance and repairs	63	1.4	72	1.7
	(3) Depreciation	448	10.3	456	10.3
	Subtotal	1,075	24.6	1,083	24.6
Cost on transfer expenditure	(1) Social security benefit payments	1,029	23.6	1,291	29.3
	(2) Subsidies, etc.	426	9.8	212	4.8
	(3) Expenditure to other accounts, etc.	552	12.6	560	12.7
	(4) Public asset improvement subsidy to other entities, etc.	96	2.2	113	2.5
	Subtotal	2,103	48.2	2,176	49.3
Other costs	(1) Interest paid	156	3.6	155	3.5
	(2) Non-recoverable amounts	17	0.4	19	0.4
	(3) Other administrative cost	0	0.0	0	0.0
	Subtotal	173	4.0	174	3.9
Ordinary administrative cost (A)	4,367	100.0	4,412	100.0	

Item/Fiscal Year	FY2009		FY2010	
	Amount	%	Amount	%
1. Usage charge, commissions (B)	192	78.0	185	75.8
B/A	4.4%		4.2%	
2. Shares, contribution, donations (C)	54	22.0	59	24.2
C/A	1.2%		1.3%	
Total ordinary revenue (B+C)	246	100.0	244	100.0

# City of Kawasaki



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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

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