

Sapporo City Investor's Guide

December 2011



City of Sapporo

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マスタタイトルの書式設定

1. Overview of Sapporo and Major Policies



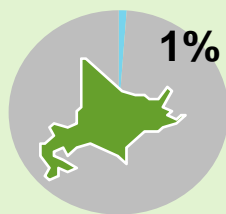
Sapporo's Position of Being among the Largest Major Cities in Japan in Terms of Area, Population, and Economy

- Sapporo City is Hokkaido's economic hub and it also covers the largest population in Hokkaido
- It is the forth largest city in Japan; statistically, its levels are comparable to those of mid-size prefectures
- The population and the city size continues to grow

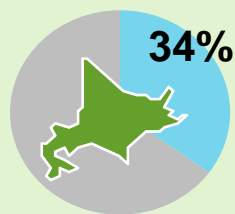
Sapporo's Position in Hokkaido

- Sapporo City comprises only one percent of land mass of Hokkaido
- Sapporo has one-third of Hokkaido's population and GDP

Land Area



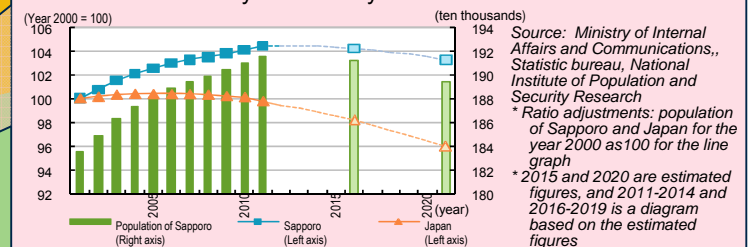
Population/GDP



Levels are comparable to those of mid-size prefectures

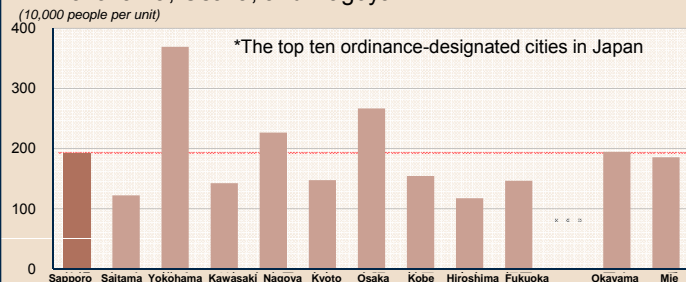
Potentials

- Population exceeded 1,900,000 in May 2009 (1,920,000 as of September 2011)
- The population growth continues to increase and is expected to slow down only moderately in the future



Population Size

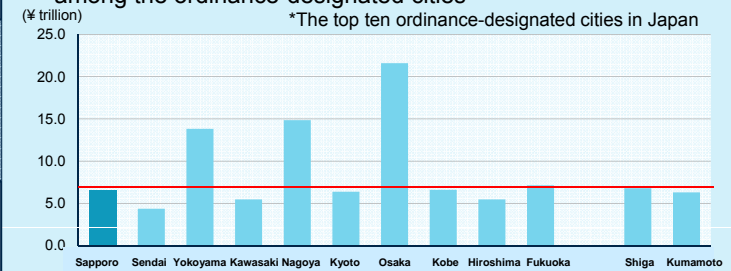
- 4th largest among ordinance-designated cities after Yokohama, Osaka, and Nagoya



Source: according to results of national census taken in 2010 (As of October 1, 2010)

Economy

- Economic trend shows movements between approx 6 trillion to 7 trillion yen (Total GNP of Sapporo City) Ranked 6th among the ordinance-designated cities



Source: SNA (System of National Accounts) Prefecture level; net amount in FY2008

Full of Attractions and One of the Most Popular Tourist Destinations in Japan

- Sapporo is one of the most visited cities in Japan, with approximately 13 million tourist visits per year
- The economic effect of the tourism industry is being heightened by the addition of new attractive features to traditional tourism resources



*Photo source: YOSAKOI Soran Festival Organization Committee, PMF Organization Committee

Most Attractive City in Japan

| Rank | City | Score |
|------|----------------|-------------|
| 1 | Sapporo | 57.0 |
| 2 | Hakodate | 56.7 |
| 3 | Kyoto | 54.9 |
| 4 | Yokohama | 51.7 |
| 5 | Kobe | 50.1 |

Source: Regional Brand Survey 2010

Economic Ripple Effects

- Production effect 427.4bn yen
- Income accumulation effect 245.9bn yen
- Employment effect 35,000 people
- Tax revenue effect 10.2bn yen

Source: Economic Effect Research of Tourism Industry by the City of Sapporo

Tourist Sites in Hokkaido

| Rank | City | Visiting Rate |
|------|----------------|---------------|
| 1 | Sapporo | 58.7% |
| 2 | Asahikawa | 27.2% |
| 3 | Otaru | 25.9% |
| 4 | Furano | 23.0% |
| 5 | Abashiri | 22.5% |

Source: Economic Effect Research of Tourism Industry by the City of Sapporo

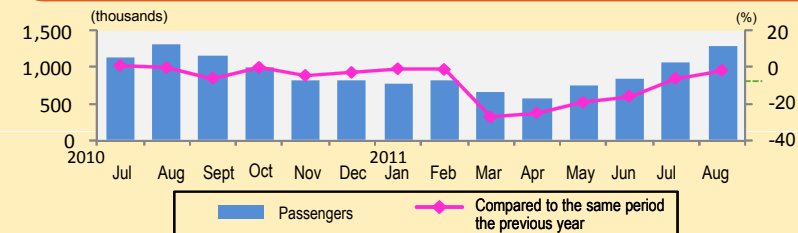
Economic Situation after the Great East Japan Earthquake on March 11, 2011

- Consumer spending and new housing construction are trending within the normal range this year; industrial production and employment rates are showing signs of recovery
- Tourists are starting to come back reviving the tourism industry after the earthquake

Tourism

- Visitors mainly from overseas decreased significantly after the earthquake.
- The industry had a good effect from the Chinese tourists and achieved top sales for the month of June 2011. Also, a promotional discussion with local tourism companies in Taiwan came up in Sapporo's August 2011 schedule.
- The tourist count in Hokkaido is climbing showing signs of recovery.

Visitors to Hokkaido

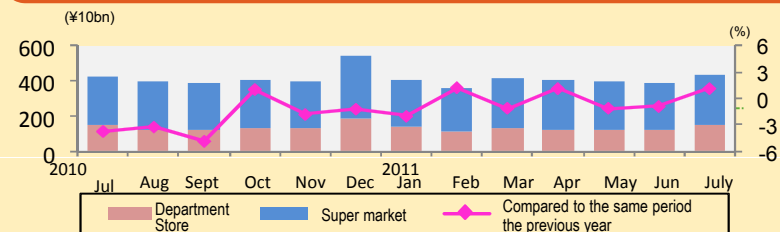


Source: Hokkaido Tourism Organization

Consumer Spending

- Large-scale retail stores located in Sapporo City maintained their sales level despite the disturbance from the earthquake.
- On year-to-year basis, the rate of new cars being registered at Sapporo Transportation Bureau in April and May 2011 were lower this year, but by June it bounced back to the same level.

Sales Performance: Large-scale Retailers in Sapporo

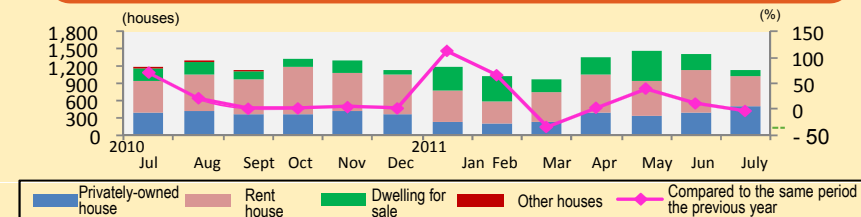


Source: Hokkaido Bureau of Economy, Trade and Industry

Housing and Industrial Productions

- The rate of new housing construction projects in Sapporo City since the earthquake is starting to increase and will be almost reaching to the same level as that of last year.
- On year-to-year basis, the Industrial Production Index in Hokkaido recorded a deficit in May 2011, but by the June and July 2011, it increased to the same levels as last year.

Construction Statistics: New Housings in Sapporo

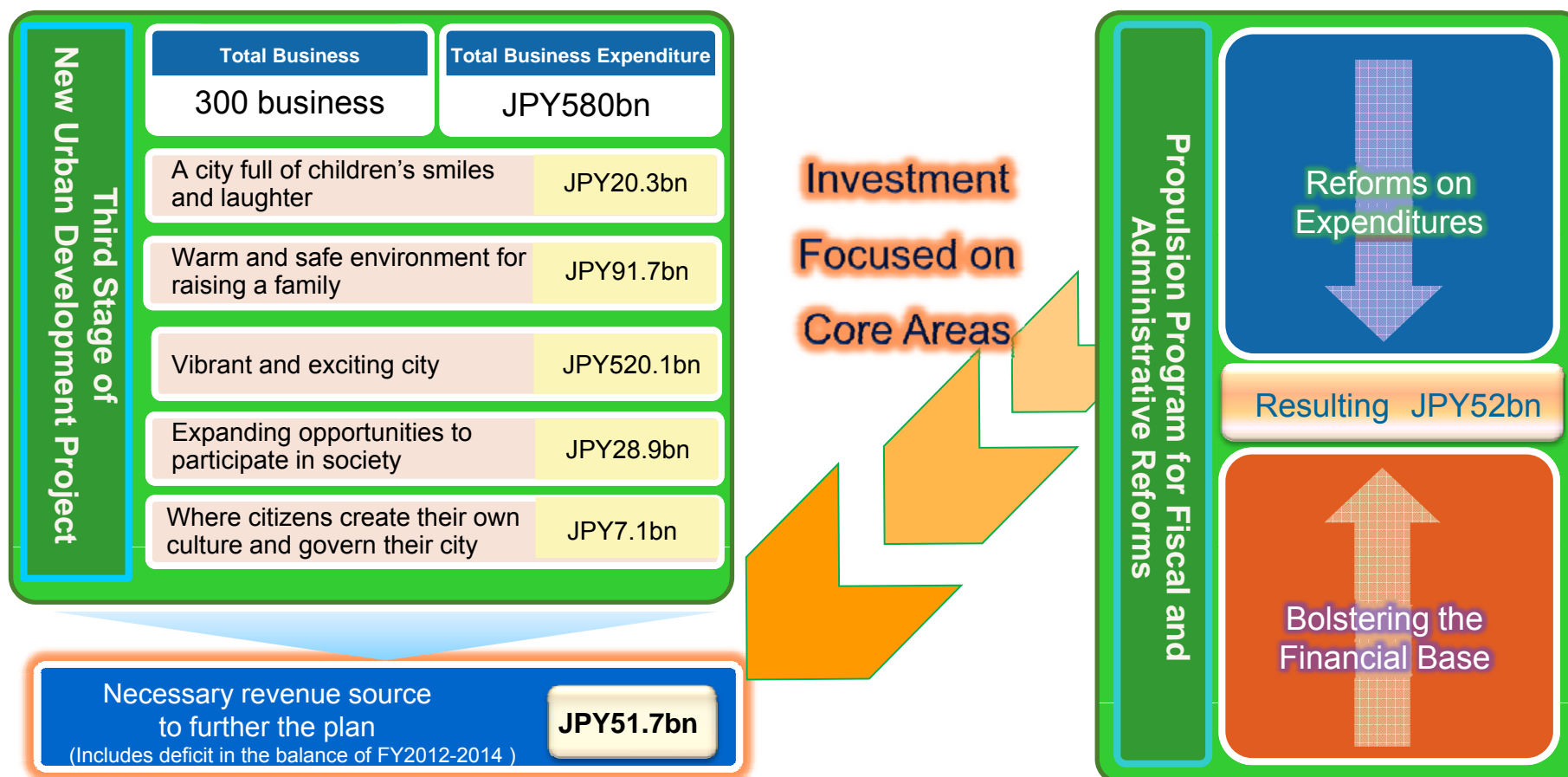


Source: Ministry of Land, Infrastructure, Transport and Tourism

Initiatives Aimed at Creating an Inspirational Northern City

- Formulated two plans in order to carry out the new municipal policy, the Third Stage of Sapporo “Genki” Vision
- Calculations to cover the expense for 300 businesses over the course of FY2011-2014 under the “The Third Stage of New Urban Development Project” is estimated to be JPY580bn
- “Propulsion Program for Fiscal and Administrative Reforms” is set and is expected to raise JPY52bn to fund the policy

The Third Stage of Sapporo “Genki” Vision



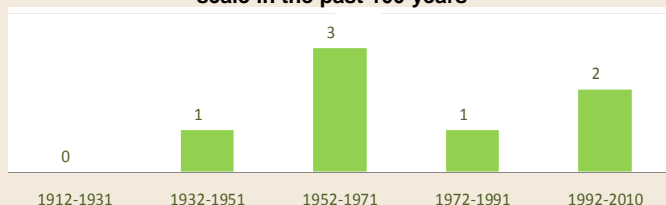
Creating a Disaster Resistant City

- To be ready for larger-than-expected earthquakes, the current disaster prevention plan is being reviewed to add measures against tsunami disasters and nuclear hazards
- Accelerate on adding quake-resistant functions and disaster preventions for public facilities and schools

Past Disasters and Prevention Measures

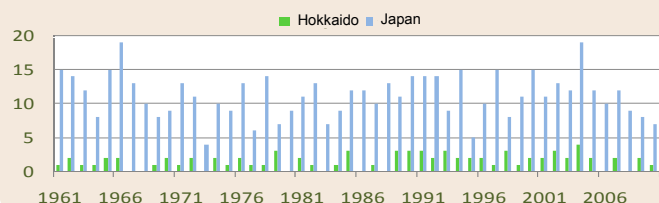
Earthquakes

of earthquake above level 4 on the Japanese scale in the past 100 years



Wind and Flood Damage

of annual approaching typhoon in the past 50 years



Countermeasures Against Disasters

- Disaster prevention plan designed for magnitude 8 earthquake
- Emergency supplies such as food for 47,000 people

March 11
Great East
Japan
Earthquake
and
Tsunami

The Third Stage of New Urban Development

Review the Local Disaster Prevention Plan

- Deal with issues that surfaced from past disasters
- Deal with unexpected disasters such as tsunami and nuclear hazards



Upgrade Quake-Resistant Standards for Public Facilities

- Budget for quake-resistant standard project JPY65.3bn
- 96% of the civic facilities have finished meeting standards
- Promote quake-resistant infrastructure on water supply and sewerage systems



Maintain and Enhance Functions of Evacuation Centers

- Support evacuation centers and add quake-resistant functions for citizens
- Enlarge emergency supplies such as foods (for evacuees of 110,000 at maximum)

A Dynamic City

- Formulated the “Sapporo City Industry Vision in 2010” to further stimulate industry
- Reflected the 4 focus areas (foods, sightseeing, environment, and health and welfare) on “the third stage of New Urban Development” to promote a industrial-wide recovery

Needs for Further Initiatives Aimed at Industry Stimulation

Clarification of
the Role of Sapporo City

All-Hokkaido Framework

4 Focus Areas

Foods

Sales channel expansion
to other prefectures
and overseas

Sightseeing

Attracting MICE, etc.

Environment

Promotion of
green IT, etc.

Health and Welfare

Stimulation of health-
related sectors, etc.

“The Third Stage of New Urban Development”

Promoting the Hokkaido Food Complex International Strategic Comprehensive Special Zone Framework

Over the course of five
years (FY2012-2016)
import and export
substitution in relation to
the Special Zone is to
increase by **JPY130bn**



Cultivate Content Industry

Economic effect from
attracting film makers to
shoot on location at
Sapporo
(FY2010) JPY1.06bn →
(FY2015) **JPY14.4bn**



Attracting MICE

Since economic effect from
this industry is considered
to be greater than that of
the tourism industry, it aims
to expand **20%** of the
market share in five years

47bn
(FY2010)
57bn
(FY2015)

Attracting Companies

Attract companies and aim
to accumulate growth
industries at
Douou-ken, this in turn will
create jobs and stimulate
the economic activities

Job Creation
3,240people
(FY2011-2014)



Projects to Create a City Full of Attractions

- The Underground walkway opened in March 2011 between Sapporo Station to the Odori area. The underground walkway connecting Sapporo to the Susukino area brings new integration of the underground city network
- The walkways have doubled the number of pedestrians and have contributed more sales to nearby stores
- Increase city's attractiveness by extending the tramway for streetcars and upgrading the Odori cross area

Development of Sapporo Sousei 1-1-1 District

This complex facility will be built to functions as a civic center and will have a hall inside for creative activities and arts, seating 2,300. The construction is scheduled to start in FY2014.



*Image provided by the vendors and the design is yet to-be-decided at this point.

Maintenance of Soseigawa Park



Building an Underground Pedestrian Area

The construction of underground pedestrian space connecting Sapporo Station and Odori Area and redevelopments made by the private sector have stimulated economic activities and brought new attractions for the city overall.

Economic Ripple Effect: JPY160bn-170bn

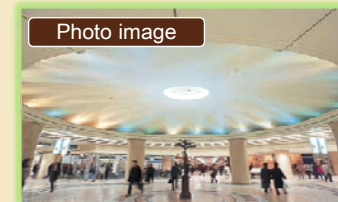
Streetcar Extension

Research and design for streetcar extension project: introduce new type of streetcars designed with low-floors, and connect the ends of existing tramway to form a loop. Completion date scheduled to be met by end of FY2014.
※Illustration of the image below.

Odori City Center "Sapporo Hiroba"

Sapporo will cooperate with numerous above-ground private sector facilities to rebuild the cross section of Sapporo Station Road and Odori Road.

Photo image



Developments Near Naebo Station

Relocate JR Naebo Station and rebuild the public facilities such as the opening in front of the station and roads. Provide support for redevelopments made by the private sector and guide and encourage urban developments of nearby areas.

Diagram of development

Developments

Relocate

JR Naebo Station

JR Shin-naebo Station

Sousei Tunnel Opens



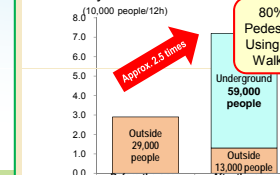
New Walkway Near Sapporo Station



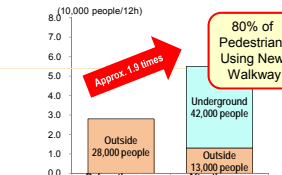
Open of Underground Pedestrian Space Station Road Near Sapporo Station

Since the open, the traffic volume has doubled on both outside and underground walkways, and 80% of the total pedestrians are now using the new underground walkway.

■ Weekdays traffic transitions-1



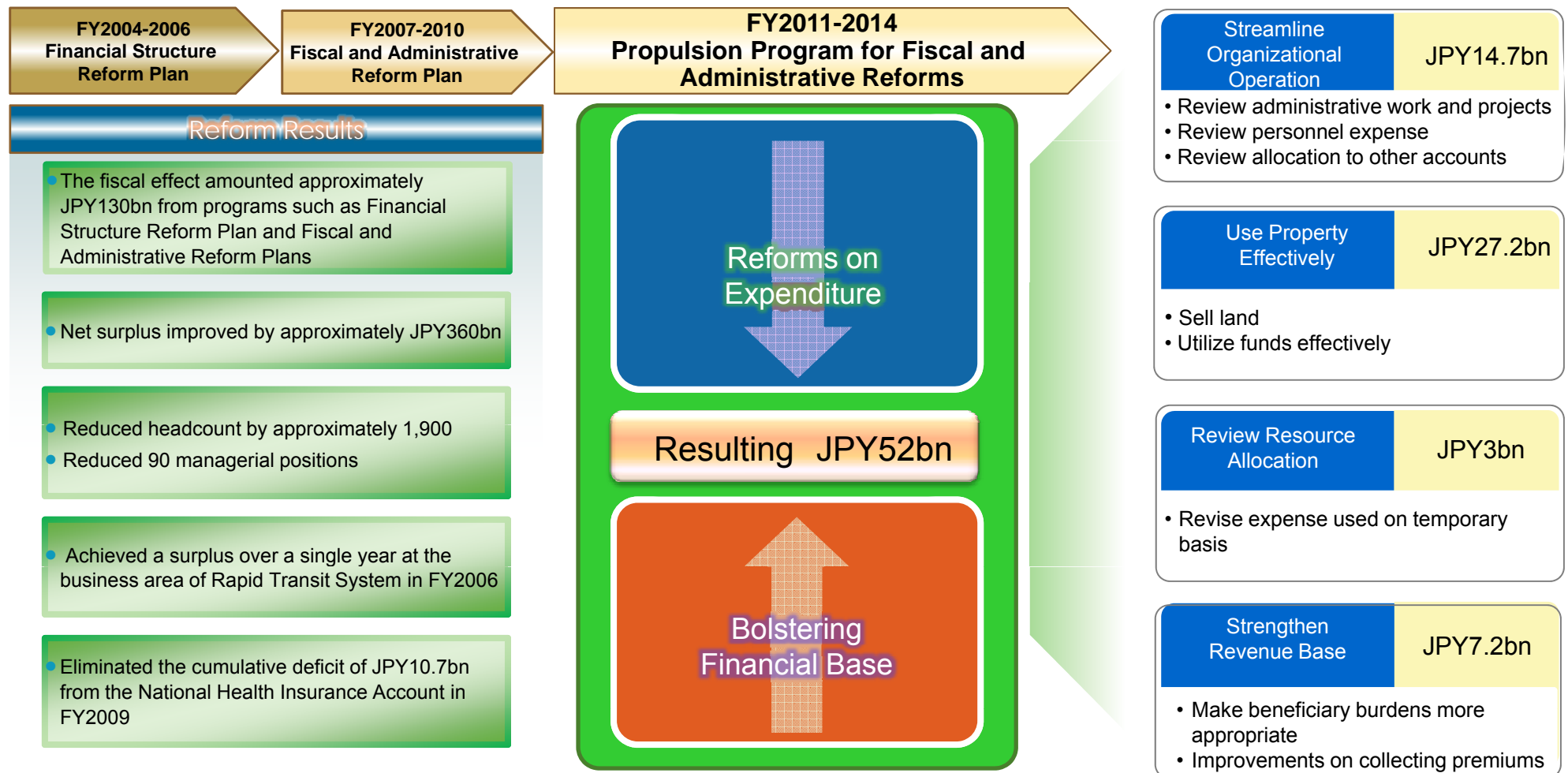
■ Weekends traffic transitions-1



*1 Currently in mid-process of research since the outside walkway is yet under construction.

Administrative and Fiscal Reforms

- Achieved economic effect of approximately JPY130 from “Financial Structure Reform Plan (FY2004-2006)” and “Fiscal and Administrative Reform Plan (FY2007-2010)”
- Formulated “Propulsion Program for Fiscal and Administrative Reforms (FY2011-2014)” for the purpose to form a sustainable and reliable fiscal system and to review the resource allocations to priority areas



Setting the Benchmark

- The benchmark, which serves to sustain fiscal discipline, is helpful when the administration is going to conduct a comprehensive reform or is willing to make efforts to meet the obligations to reduce the burden of future generations
- To add more independence and stability to the fiscal administration, in FY2010, Sapporo set a benchmark to the earnings of its own administration so that it would enable itself to maintain a certain level of revenue

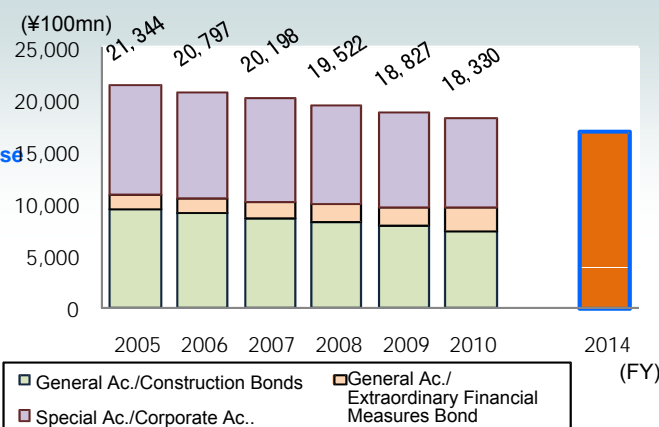
I. City Debt Balance in All Accounts

City debt balance in all accounts as of end of FY2010



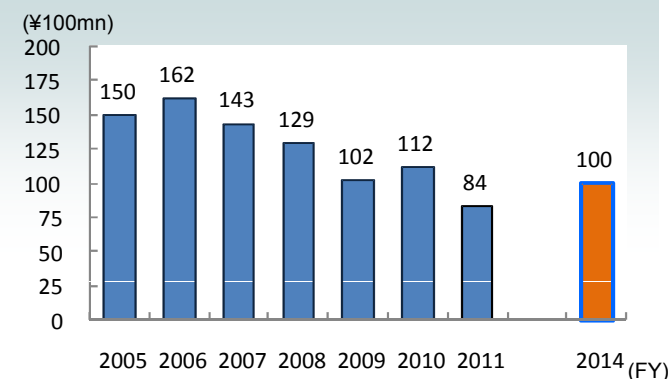
City debt balance in all accounts as of end of FY2014

Decreased



II. Fiscal Adjustment Fund Balance

As a vital financial source to secure future fiscal operations, Sapporo continues to maintain approximately 10bn



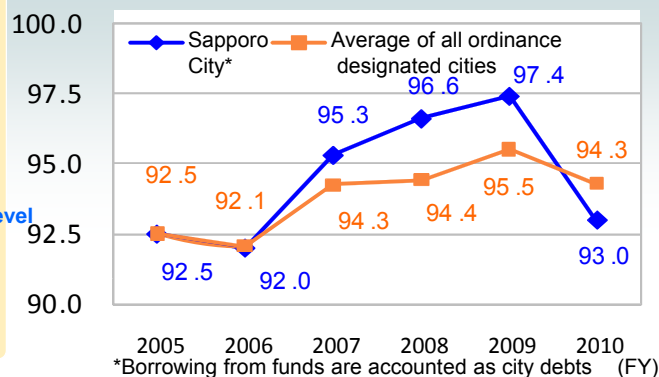
III. Ordinary Balance Ratio

Average of ordinance designated cities ordinary balance ratio



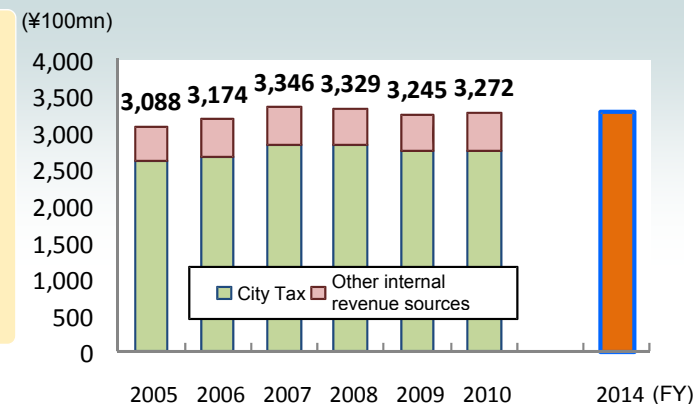
Sapporo City ordinary balance ratio

Low level



IV. Amount of Internal Revenue Sources

Continues to maintain the same level as FY2010 results



マスタタイトルの書式設定

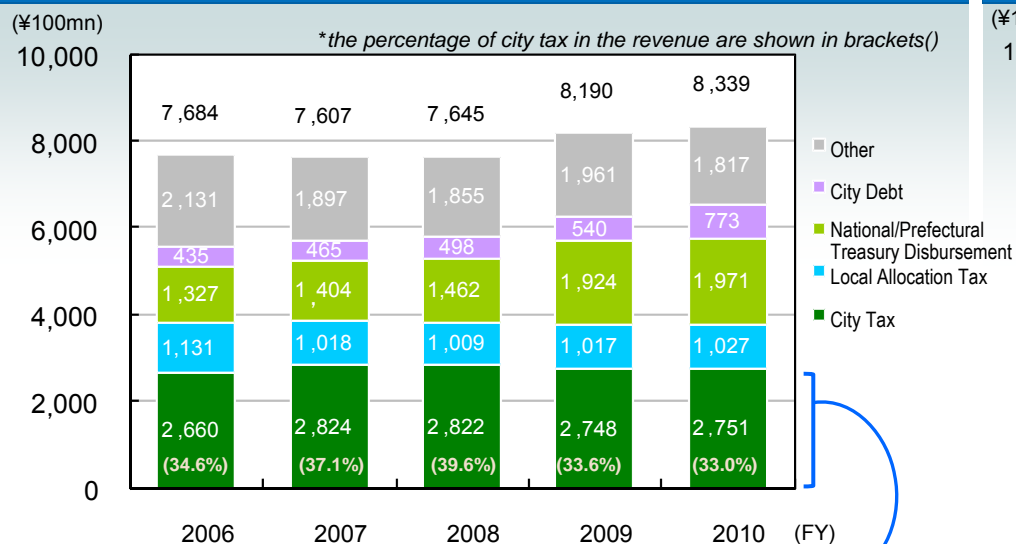
2. Financial Profile



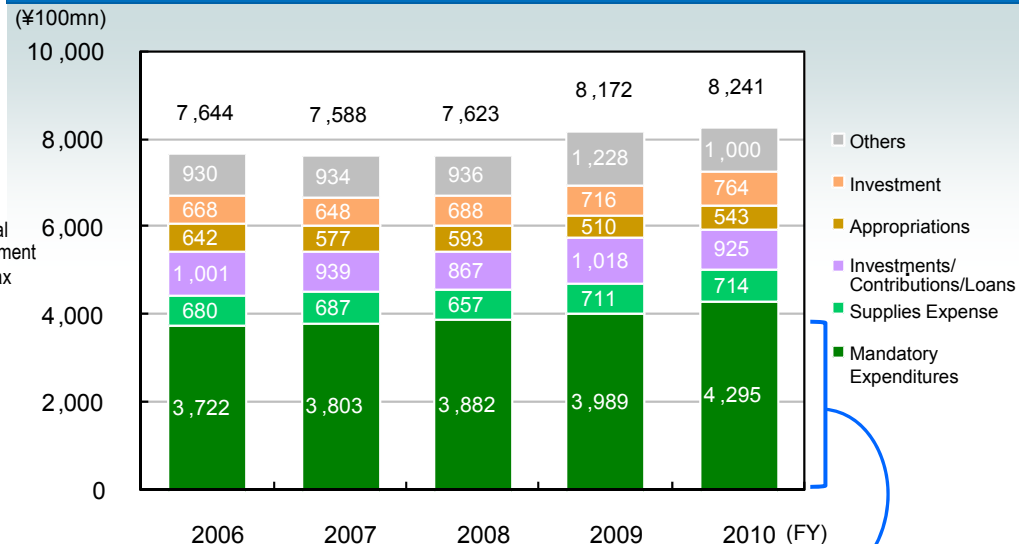
General Accounts Results FY2010

- General account surplus (net balance of settled account) of JPY2.55bn (increase of JPY2.14bn on year-to-year basis) for FY 2010
- The tax revenue structure is stable as corporate resident tax had increased; however, personal resident tax had decreased as a result of decrease in personal income
- The increased expenditure in children's welfare and livelihood relief have driven the increase in social assistance expenditure resulting JPY800bn two years in a row

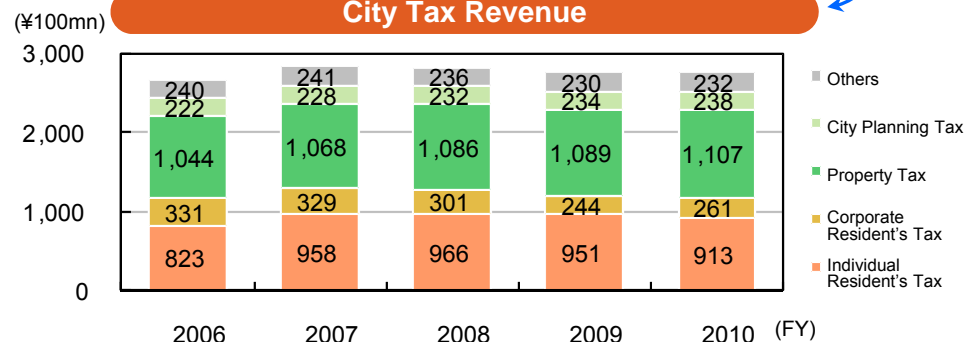
Major Sources of Revenue



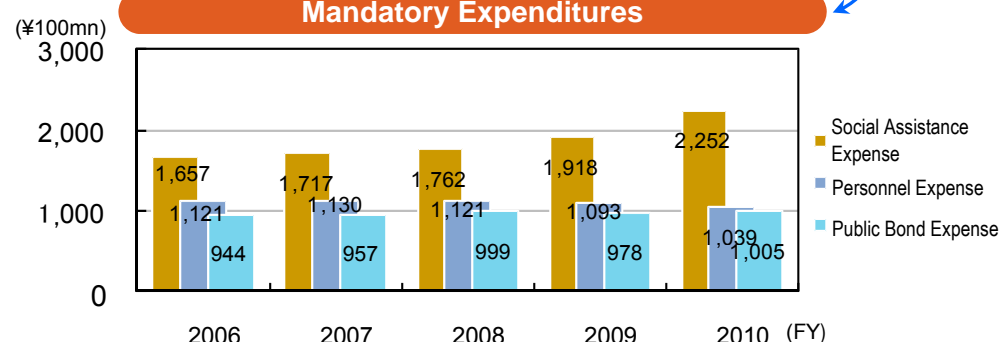
Breakdown of General Account Expenditure



City Tax Revenue



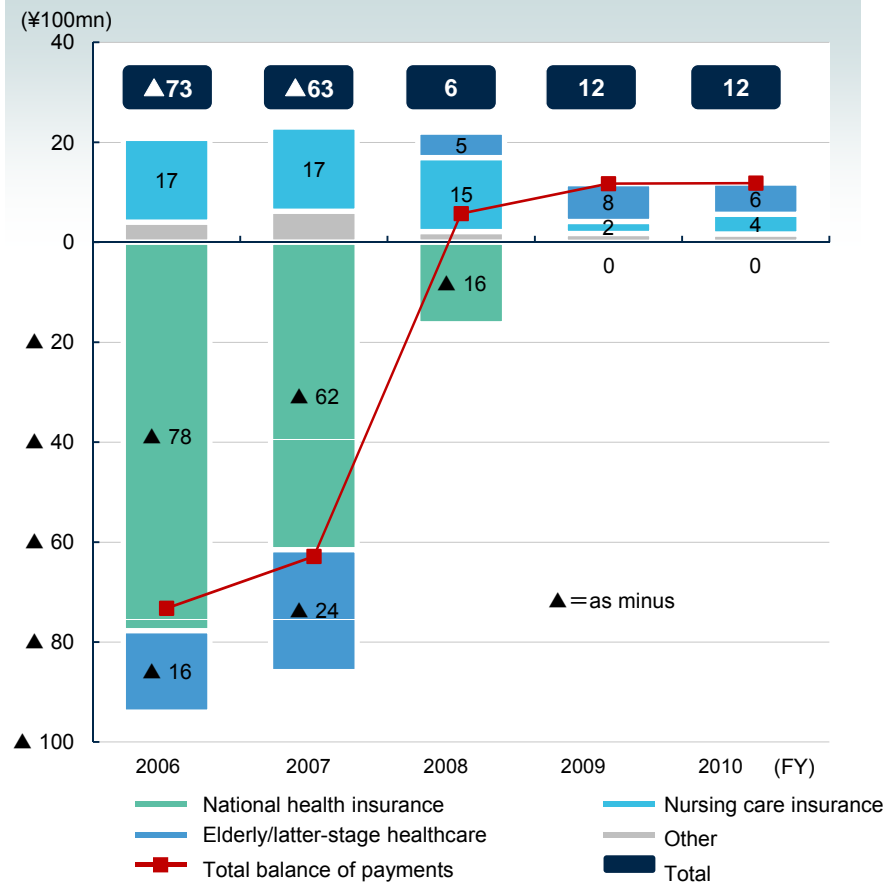
Mandatory Expenditures



Special Accounts

- 9 types of special accounts as of FY2010
- Cumulative losses in the national health insurance account eliminated in FY2009 through efforts to enhance payment of premiums

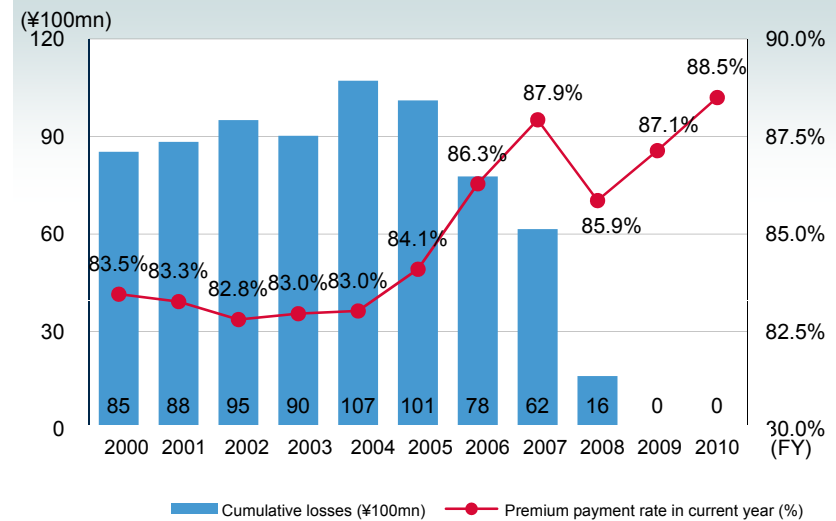
Balance of Payments in Special Accounts



Forecast of the National Health Insurance Account

- With improvements in premium collections, the deficits were eliminated in FY2009 results
- With dedicated efforts to eliminate premium payment delinquencies, the premium payment level increased 5.7 points compared to the lowest-ever record in FY2002

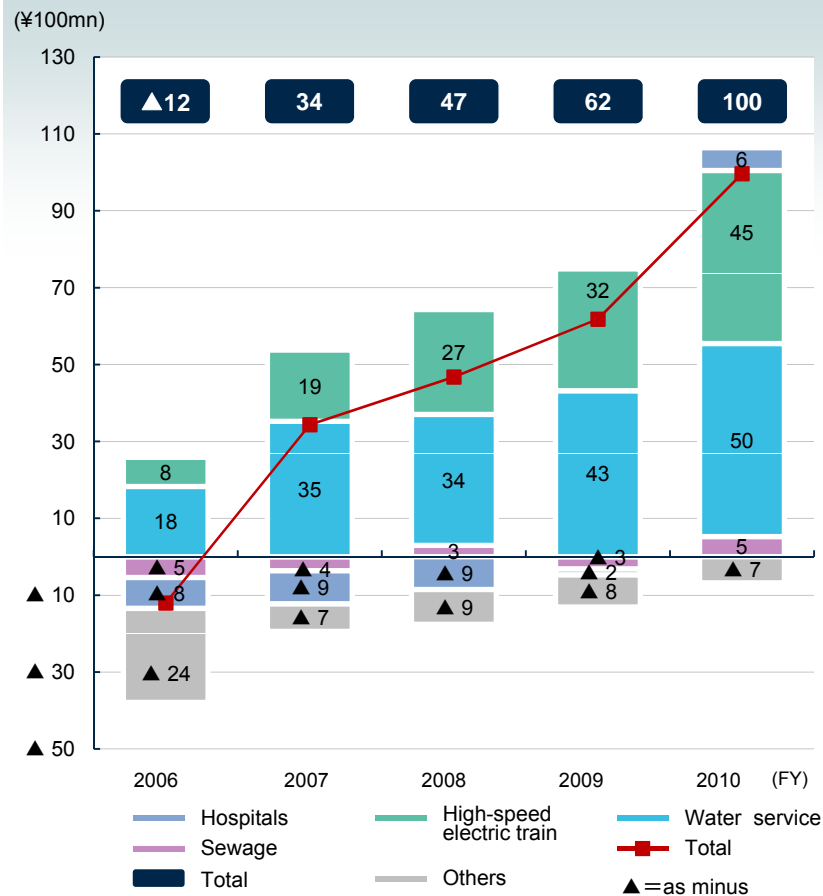
National Health Insurance Account: Cumulative Losses and Premium Payment Rates



Public Enterprises Account

- 6 types of public enterprises accounts. Net surplus maintained in the waterworks and rapid railway operations, and surplus itself is also trending upward
- Implementing operational improvement efforts in each operation based on operational plans in order to enhance efficiency

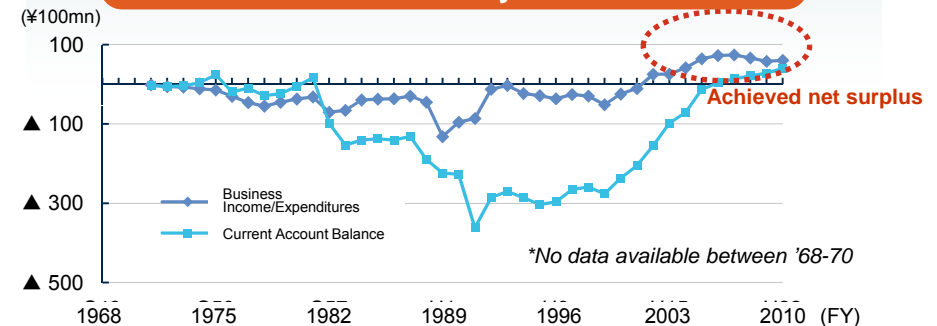
Balance of Payments in Public Enterprises Account



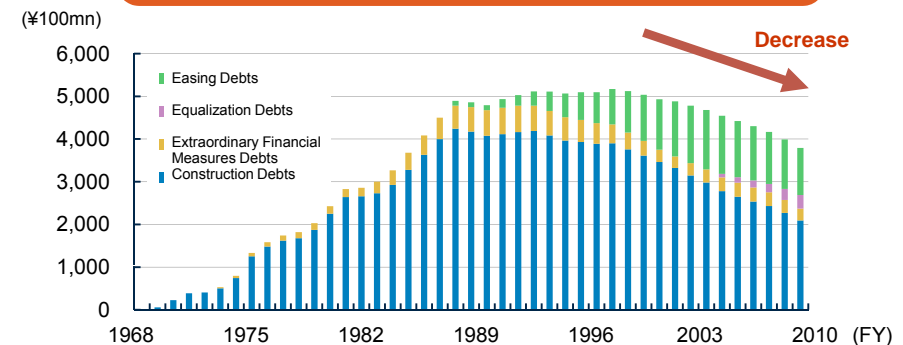
Operational Improvement Initiatives in the Rapid Railway Operations

- Complete outsourcing of train station operations and the shift to one-person steering are expected to lead to a cumulative surplus improvement of JPY 27.5 billion in 2004-2013
- Corporate debt balance trend downward due to the completion of major construction projects

Balance of Payments



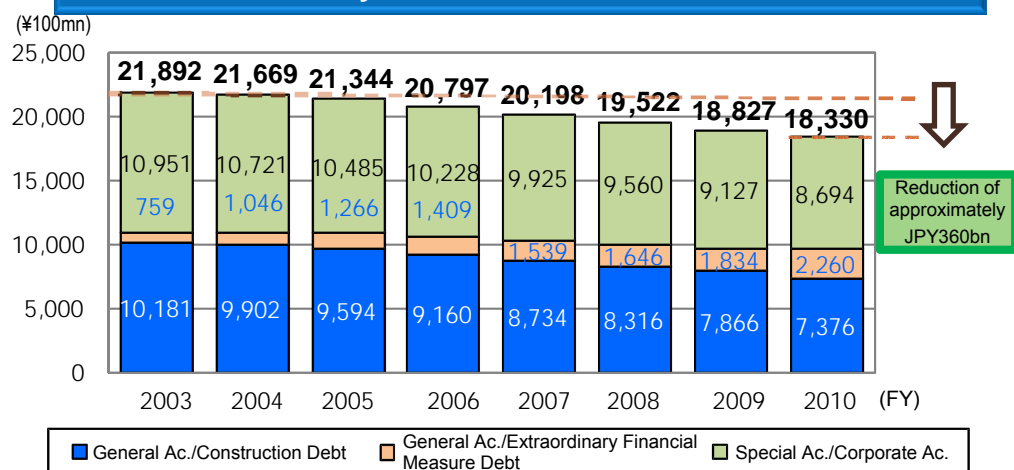
FY end City Debt Balance for Public Enterprises Account



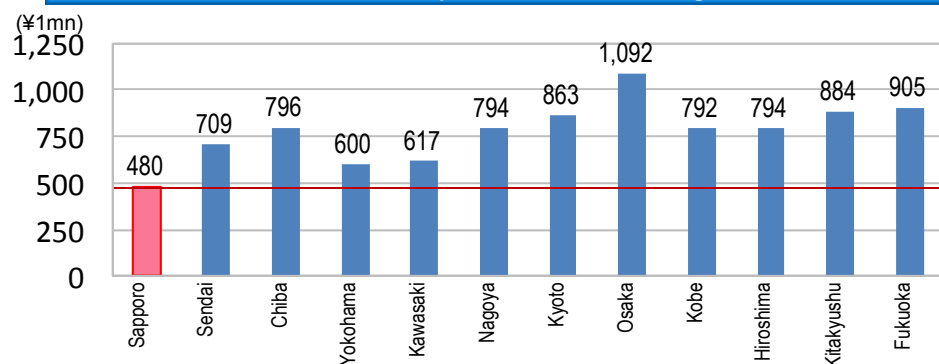
Sound Fiscal Indicators for City Debt Balance

- As a result of debt reduction efforts to date, real debt service ratio and future burden ratio are low relative to major public issuers
- Aiming to maintain healthy levels through efforts to maintain discipline

FY End City Debt Balance for All Accounts

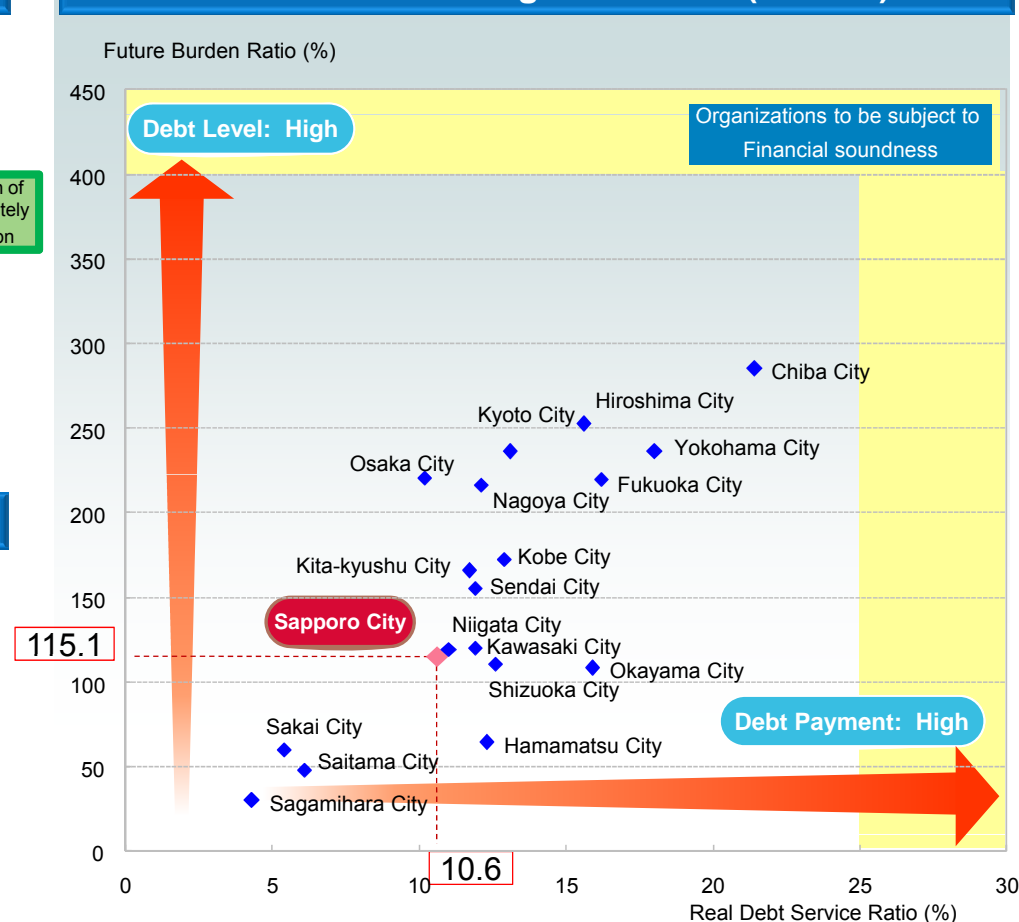


Indicating Outstanding Debt in Ordinary Account per Fixed Number of Residents as of FY2010 in Each Top Twelve Ordinance Designated Cities



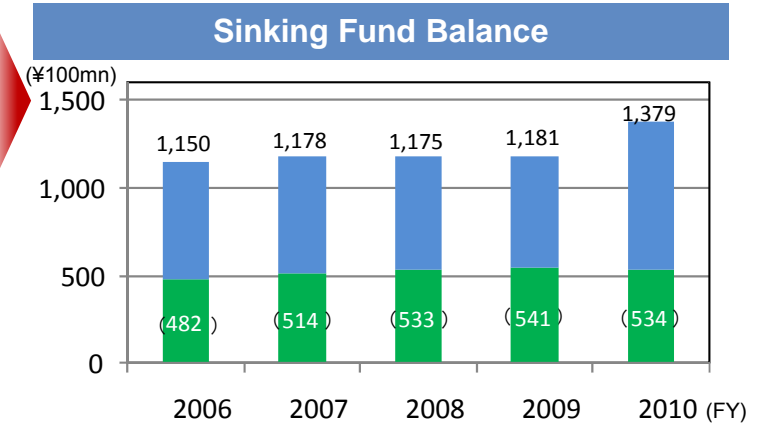
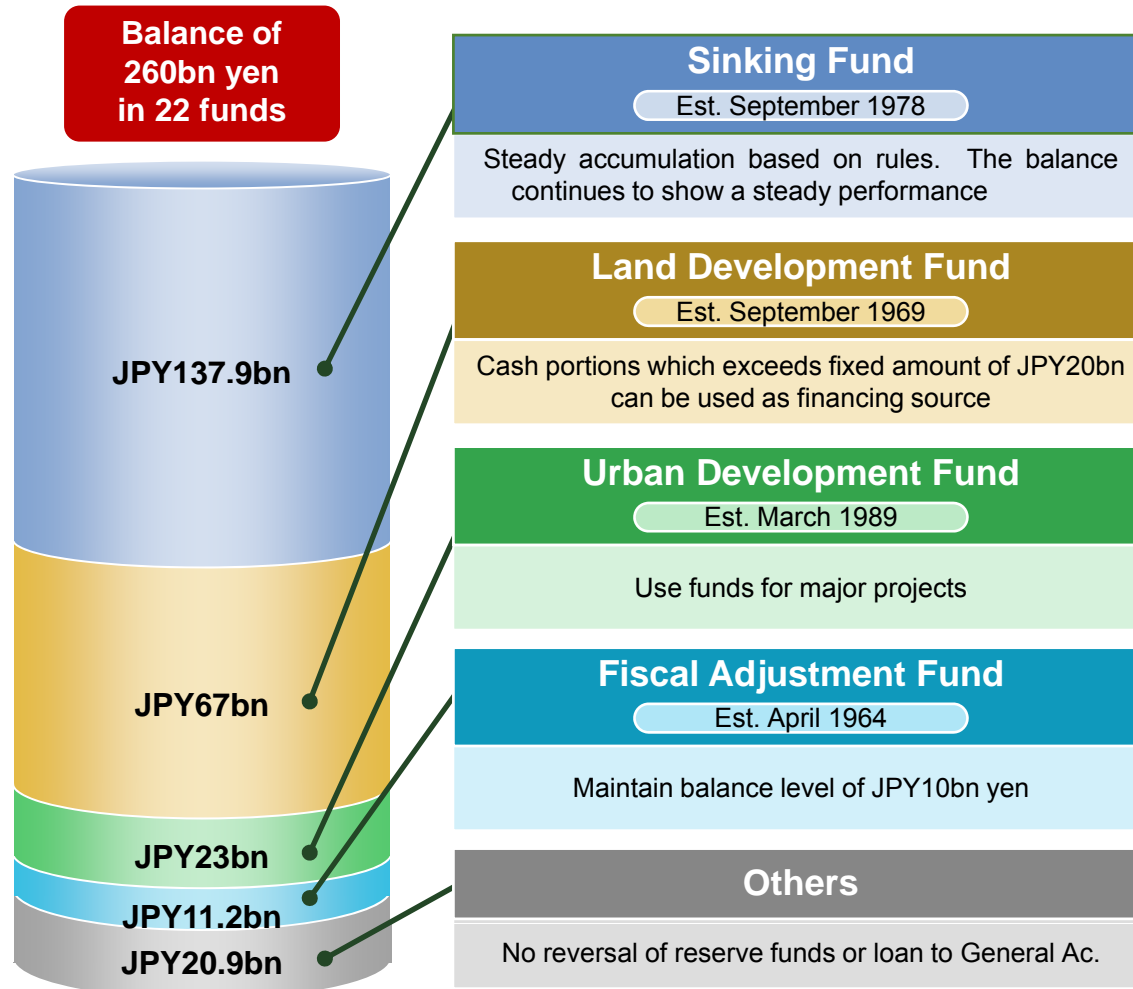
Source: FY2010 survey on Local Public Finance by MIC

Ratio for Determining Soundness (FY2010)



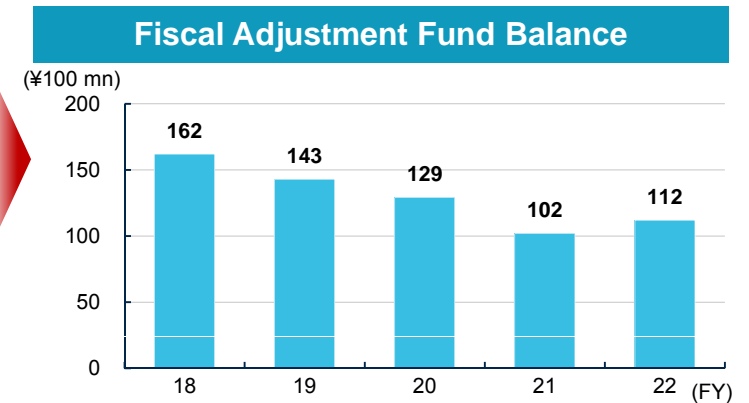
Financial Conditions

- Established 22 funds; the balance is approximately JPY260bn as of FY2010
- Funds are to used solely for their installation purpose only



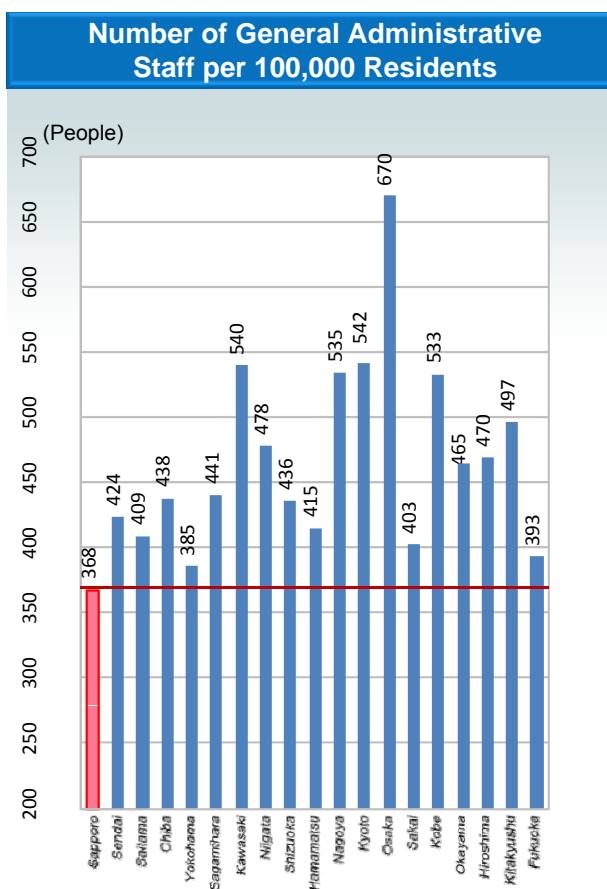
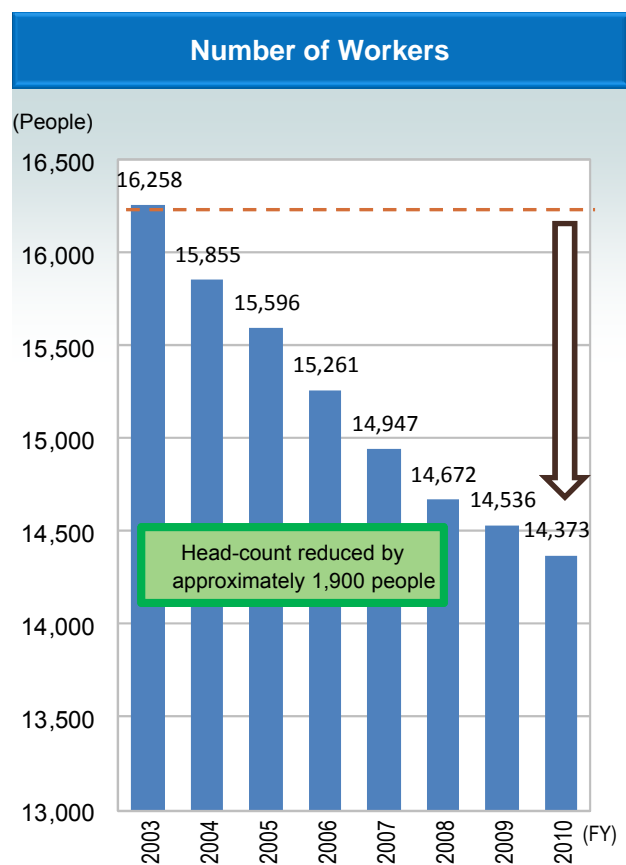
* Outstanding borrowings from the fund are shown in brackets ().

* In order to meet the two targets for FY2003, "Reduction on payments for issuing commissions by suppressing the pace and size of refunding bonds issuance" and "fund management", the Bond Account is borrowing money from the funds

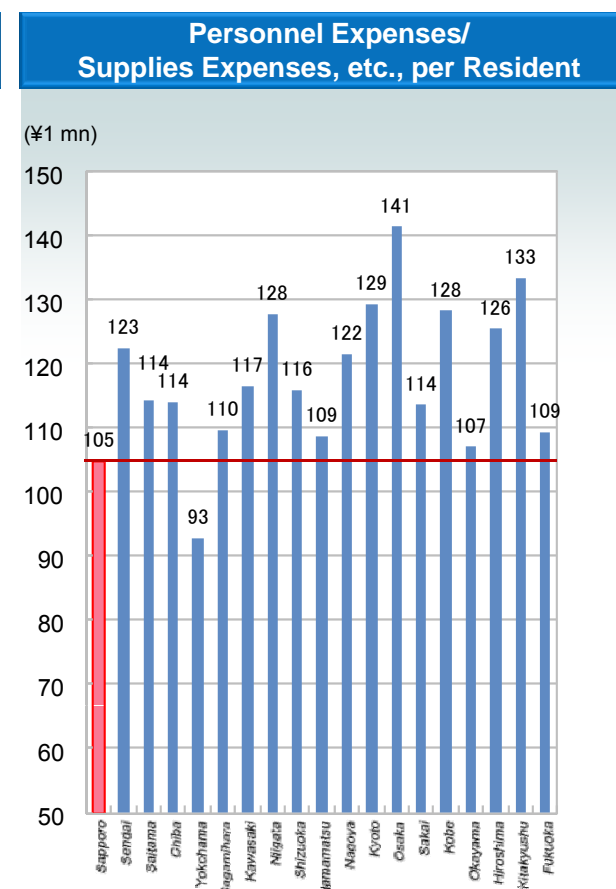


Expenditure Reduction Initiatives

- Achieved a head-count reduction of approximately 1,900 over seven years through committed outsourcing efforts. As a result, the number of general administrative staff per 100,000 citizens is the lowest among the ordinance-designated cities
- Per capita personnel and non-personnel expenses were the second lowest among the ordinance-designated cities, indicating efficiency in administrative operations



Source: MIC Municipality Capacity Management Survey (2010)



Source: 2010 Public Finance Comparative Analysis Chart

Financial Status of Affiliated Organizations

- When comparing the consolidated balance sheet that includes all affiliated organizations with the balance sheet for all accounts (general, special, corporate), the impact calculated in percentage is only about 1.6 - 4.3%. This means that fiscal conditions of affiliated organizations have little impact on Sapporo's overall fiscal standing
- Of the 35 organizations Sapporo is prominently involved with, only one has excessive debt which is currently being reviewed to be eliminated by FY2016

Balance Sheet

(¥100mn)

| | Total of all accounts | Consolidated | Impact |
|--------------------|-----------------------|--------------|--------|
| Assets | 53,782 | 55,226 | 2.7% |
| Liabilities | 21,819 | 22,755 | 4.3% |
| Net Assets | 31,963 | 32,471 | 1.6% |

*Extracted from FY2009 results

*The consolidated companies are 31 affiliated organizations and one independent administrative institution and four partial-affairs-associations

Impact on Other General Accounts

| Items | Impact |
|--|--------|
| Disbursements such as subsidies/Expenditure of general account | 0.2% |
| General Ac. lending amount/ General Ac. revenue | 0.1% |
| General Ac. Guarantee Obligation | None |

*Extracted from FY2009 results

Reforms on Affiliated Organizations: Updates and Foreseeing Future Efforts

Plan of Fiscal Structure Reform on Affiliated Organizations FY2005 - 2008

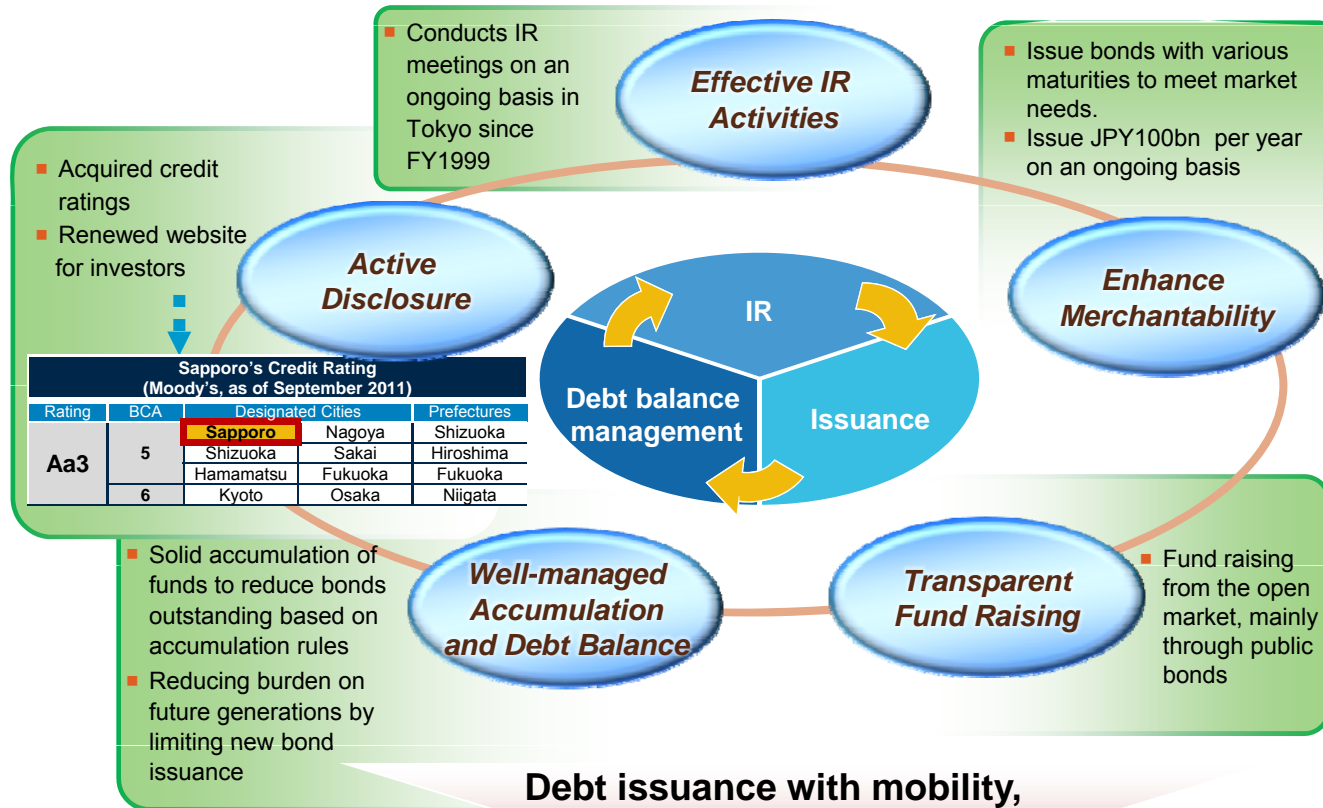
Fiscal Structure Reform Policy on Affiliated Organizations FY2009 -

| | Merger and Abolishment of Entities | Financial Policies | Human Resources |
|--|--|---|--|
| Local Public Corporation (Land Development Corporation) | <ul style="list-style-type: none"> The Land Development Corporation is expected to be dissolved in FY2014. Repaid all borrowings (no guarantee obligation). The lending amount from Sapporo will be fully repaid by FY2014. | <ul style="list-style-type: none"> Achieve fiscal reduction of JPY23bn to affiliated organizations by FY2010.* For FY2011, Sapporo is anticipating further reduction of JPY2.2bn. Gain efficiency by streamlining and restructuring the fiscal policy in order to downsize the unused portions allocated by Sapporo worth JPY9bn by FY2014. Withdraw a portion of the capital to eight organizations during FY2010. | <ul style="list-style-type: none"> By FY2010, reduced head-count of 118 registered temporary workers dispatched by the city.* Additional eight reduction in headcount in FY2011. |
| Other affiliated organizations (25 corporations and 12 joint-stock corporations)* | <ul style="list-style-type: none"> Four entities have been merged or abolished from 37 down to 33, with plans to merge or abolish three more. The future of three other entities are currently being reviewed. | | |

*The number of organizations extracted from the record dated as of end of FY2004 and expenditure cuts and reduced head-counts of temporary workers are shown as FY2004 vs. FY2011.

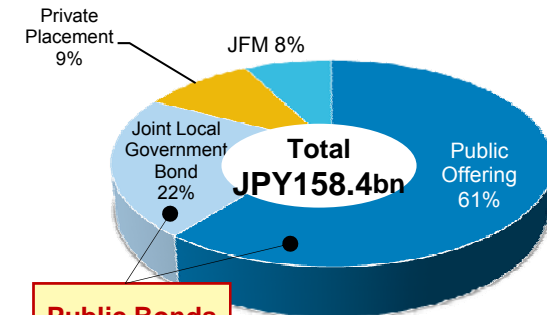
Innovation in Bond Issuance Operation

- Stable fundraising through a meticulous dialogue with the marketplace to cover all aspects of the bond issuance operations including areas such as IR, bond offering, and bond management
- 82.7% of all outstanding debts across all accounts (99.9% in general account) will be refinanced by 5-year and 10-year bonds



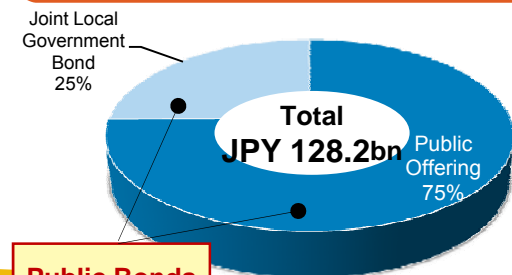
Breakdown of Sapporo City Debt FY2010

All Accounts



Public Bonds 82.7%

General Accounts



Public Bonds 99.9%

Debt issuance with mobility, flexibility, and consistency

Stable fundraising through meticulous dialogue with the capital market

Issuance Plan

- Continue public issuances of 5-year, 10-year, and 20-year bonds
- This year again Sapporo has established a flexible issuance limit of JPY30bn and in July and November Sapporo has issued the 20-year and 30-year, respectively. Also, in the forth quarter Sapporo plans to issue bonds - tenor yet to be decided, offering size amounting between JPY10bn to JPY15bn

FY2011 Public Bond Issuance Plan

| (¥100mn) | | | FY2011 | | | | | | | | | | | | |
|---------------------------------|---------|---------|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | | 1Q | | | 2Q | | | 3Q | | | 4Q | | | |
| | | | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | |
| Sapporo City Bond | 5-year | | 300 | | 100 | | | | 100 | | | | | | 100 |
| | 10-year | | 300 | | | | | 100 | | | 100 | | | 100 | |
| | 20-year | | 100 | | | | 100 | | | | | | | | |
| | Flex | 20-year | 50 | | | | 50 | | | | | | | | |
| | | 30-year | 100 | | | | | | | | 100 | | | | |
| | | TBD | 150 | TBD | | | | | | | | | | | |
| Joint Local Government Bond | | | 300 | 100 | 100 | | | | | | | | | 100 | |
| Citizen Participatory-type Bond | | | 60 | | | | 30 | | | | | | 30 | | |
| Total (*Includes Spot Issuance) | | | 1,360* | 100 | 200 | | 180 | 100 | 100 | | 200 | | 130 | 200 | |

Stability of the Municipal Bond System

- **BIS risk weight is 0%, which is equivalent to Japanese Government Bonds**

1. Local allocation tax grants

- The national government forecasts income and necessary expenditures for the entire region during the annual budgeting process and provides funds to cover shortfalls.
- In this framework, the national government also supports funding to repay interest and principal on municipal bonds, thereby enhancing municipalities' ability to perform on their obligations.

2. Bond issuance permission system as an early corrective measure

- Municipalities must hold discussions with the national government before issuing bonds. This ensures in advance that each municipality has the ability to repay interest and principal on newly issued bonds.

3. Rapid warning and corrective measures to ensure sound public finance

- Introduced in FY2008 to prevent a serious deterioration of municipal finance. Includes 1) disclosure of fiscal status using 5 indicators of fiscal soundness and 2) corrective measures for municipalities facing deterioration in financial status.
- Specific corrective measures: in the event that fiscal indicators exceed a certain threshold, a municipality must formulate and implement a fiscal improvement plan. If fiscal conditions deteriorate further, the national government and other parties may intervene to ensure recovery. (%)

| | Effective Deficit Ratio | Effective Consolidate | Effective Bond Expense Ratio | Future Burden Ratio |
|------------------------------------|-------------------------|-----------------------|------------------------------|---------------------|
| Early Financial Soundness Standard | 3.75 | 8.75 | 25.0 | 400.0 |
| Financial Rebuilding Standard | 5.00 | 15.00 | 35.0 | |

A sudden financial disaster (i.e. exceeding fiscal rehabilitation standards) can now be avoided as a result of establishing rapid improvement standards

Contacts

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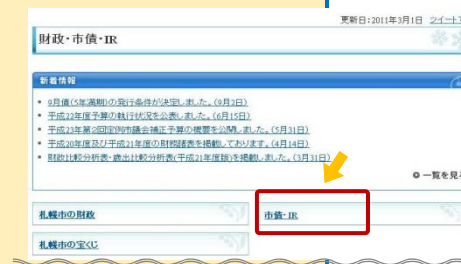
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Administrative Information



Finance / City Bonds / IR



Note: the purpose of this material is to explain the fiscal situation, etc. of the City of Sapporo to investors who are considering the purchase of Sapporo municipal bonds, and not to offer the sale or solicit the purchase of any specified bonds

Appendix

Sapporo's Public Finances



Trends in Ordinary Account (1)

Revenue and Expenditure

(¥ in thousands,
△ as minus)

| FY | Revenue (A) | Expenditure (B) | Balance (A) - (B) = (C) | Carry Forwards (D) | Real Balance (C) - (D) | Revenue Expenditure per Year (E) | Reserves (F) | Advanced Redemption (G) | Reversal of Reserves (H) | Real Balance per Year (E) + (F) + (G) - (H) |
|--------|----------------|--------------------|----------------------------|-----------------------|---------------------------|---|-----------------|-------------------------------|--------------------------------|---|
| FY2001 | 838,069,751 | 830,657,406 | 7,412,345 | 6,342,203 | 1,070,142 | △ 838,191 | 68,892 | 1,400,000 | 0 | 630,701 |
| FY2002 | 824,559,394 | 816,376,505 | 8,182,889 | 6,233,956 | 1,948,933 | 878,791 | 1,520 | 960,000 | 0 | 1,840,311 |
| FY2003 | 826,901,084 | 819,699,343 | 7,201,741 | 4,673,481 | 2,528,260 | 579,327 | 3,343,517 | 44,202 | 0 | 3,967,046 |
| FY2004 | 819,967,920 | 816,046,897 | 3,921,023 | 3,215,934 | 705,089 | △ 1,823,171 | 451 | 0 | 2,000,000 | △ 3,822,720 |
| FY2005 | 806,611,148 | 802,834,574 | 3,776,574 | 2,525,540 | 1,251,034 | 677,474 | 189 | 0 | 0 | 677,663 |
| FY2006 | 777,746,531 | 773,343,073 | 4,403,458 | 1,836,191 | 2,567,267 | 1,316,233 | 103 | 0 | 0 | 1,316,336 |
| FY2007 | 770,954,966 | 768,436,581 | 2,518,385 | 1,167,440 | 1,350,945 | △ 1,216,322 | 70,555 | 1,942 | 2,400,000 | △ 3,543,825 |
| FY2008 | 773,706,487 | 771,293,898 | 2,412,589 | 1,359,361 | 1,053,228 | △ 297,717 | 69,018 | 392,892 | 2,000,000 | △ 1,835,807 |
| FY2009 | 828,617,450 | 826,666,999 | 1,950,451 | 1,470,445 | 480,006 | △ 573,222 | 18,498 | 0 | 3,000,000 | △ 3,554,724 |
| FY2010 | 843,071,137 | 833,197,919 | 9,873,218 | 7,218,711 | 2,654,507 | 2,174,501 | 11,979 | 0 | 300,000 | 1,886,480 |

Trends in Ordinary Account (2)

Financial Indicators, etc.

(¥ in thousands, %)

| Classification | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Standard Fiscal Demand | 366,159,482 | 349,659,722 | 332,942,929 | 332,973,182 | 334,252,772 | 339,518,221 | 334,293,725 | 332,723,607 | 324,306,855 | 311,442,280 |
| Standard Fiscal Revenue | 234,059,894 | 227,494,346 | 219,240,814 | 222,834,120 | 223,836,355 | 228,499,295 | 233,929,997 | 233,352,446 | 224,986,013 | 213,529,261 |
| Standard Fiscal Size | 441,415,422 | 422,781,183 | 402,755,143 | 404,542,068 | 403,994,034 | 408,717,046 | 404,732,525 | 402,060,553 | 391,020,032 | 428,217,854 |
| Financial Capability Index (3-year avg.) | 0.634 | 0.637 | 0.649 | 0.659 | 0.666 | 0.671 | 0.681 | 0.692 | 0.699 | 0.694 |
| Financial Capability Index (Annual) | 0.639 | 0.651 | 0.658 | 0.669 | 0.670 | 0.673 | 0.700 | 0.702 | 0.694 | 0.686 |
| Recurring Balance Ratio | 85.0 (87.6) | 87.0 (92.7) | 89.2 (99.5) | 92.8 (100.8) | 92.5 (98.3) | 92.0 (95.5) | 95.3 (99.5) | 96.6 (100.7) | 97.4 (104.0) | 93.0 (105.1) |
| Recurring Ordinary Funding Ratio | 98.9 | 98.5 | 99.3 | 99.4 | 100.6 | 101.8 | 100.5 | 100.3 | 100.9 | 91.5 |
| Public Bond Dependence | 10.4 | 11.6 | 11.2 | 8.9 | 7.7 | 5.6 | 6.0 | 6.4 | 6.5 | 9.2 |
| General Funding as a % of Total Revenues | 60.0 | 59.9 | 62.2 | 62.5 | 62.3 | 63.5 | 62.2 | 61.9 | 58.1 | 59.8 |
| Self-Funding as a % of Total Revenues | 51.5 | 51.6 | 51.7 | 52.9 | 53.8 | 54.9 | 56.9 | 56.3 | 53.1 | 50.6 |
| City Tax as a % of Total Revenues | 32.1 | 32.5 | 31.3 | 31.5 | 32.4 | 34.2 | 36.6 | 36.5 | 33.2 | 32.6 |
| Local Allocation Tax as a % of Total Revenues | 16.1 | 15.1 | 14.0 | 13.7 | 14.0 | 14.5 | 13.2 | 13.0 | 12.3 | 12.2 |
| Mandatory Expense as a % of Total Expenditures | 40.5 | 41.9 | 45.8 | 46.8 | 47.6 | 48.4 | 49.6 | 50.3 | 48.0 | 51.2 |
| Consumption Expenditure as a % of Total Expenditures | 50.2 | 50.8 | 52.6 | 54.2 | 55.2 | 56.8 | 58.4 | 58.4 | 60.5 | 59.1 |
| Investment Expense as a % of Total Expenditures | 20.8 | 19.4 | 14.7 | 13.0 | 11.3 | 9.1 | 8.9 | 9.3 | 8.8 | 9.3 |
| Current Funds Outstanding (*excl. Land Development Fund) | 61,960,378 | 61,074,053 | 57,345,387 | 53,180,460 | 51,971,984 | 51,296,975 | 47,745,396 | 45,136,474 | 43,472,292 | 52,747,274 |
| Land Development Funds Outstanding | 69,213,859 | 69,841,427 | 70,237,035 | 70,956,735 | 71,122,591 | 71,466,489 | 71,748,156 | 69,440,562 | 66,504,044 | 67,027,626 |
| Municipal Bonds Outstanding | 1,036,961,817 | 1,072,304,123 | 1,079,715,297 | 1,064,956,786 | 1,042,754,206 | 1,008,701,503 | 975,853,947 | 943,003,263 | 915,999,138 | 910,348,029 |
| Revenue from Profit-earning Operations (lottery revenue: excl. investment profit) | 6,706,794 | 6,604,178 | 6,446,824 | 6,261,064 | 6,412,110 | 6,632,270 | 6,454,292 | 6,489,272 | 6,079,679 | 5,609,969 |
| Liabilities Borne (expenditures expected during and after next year) | 24,691,670 | 17,205,363 | 36,002,092 | 36,362,727 | 86,566,299 | 94,081,283 | 73,713,347 | 58,491,832 | 86,858,108 | 99,539,000 |
| Laspeyres Index | 103.8 | 103.5 | 102.8 | 100.6 | 99.7 | 98.6 | 99.5 | 100.1 | 101.0 | 100.6 |
| Real Deficit Ratio | | | | | | - | - | - | - | - |
| Consolidated Real Deficit Ratio | | | | | | - | - | - | - | - |
| Real Debt Service Ratio | | | | | (14.0) | 10.7 (14.5) | 10.8 | 10.8 | 11.3 | 10.6 |
| Future Burden Ratio | | | | | | 156.0 | 156.9 | 147.2 | 137.1 | 115.1 |

* Figures in parentheses under Recurring Balance Ratio represent recurring ordinary funding revenue excluding bonds to supplement a tax cut and extraordinary financial measure bonds.

* "Real Deficit Ratio", "Consolidated Real Deficit Ratio", "Real Debt Service Ratio (upper line)", and "Future Burden Ratio" for FY2006 are trial calculation figures. The calculation method for the Real Debt Service Ratio has changed due to the act on Assurance of Sound Financial Status of Local Governments, which allows for the inclusion for city planning tax. The lower line shows pre-enactment figures.

* "—" under "Real Deficit Ratio" and "Consolidated Real Deficit Ratio" implies that no real deficit or consolidated real deficit exists.

* Standard Fiscal Size does not include the full issuance capacity of extraordinary financial measure debts.

Designated Cities: Financial Structure Comparison Chart (1)

(Financial Status for Ordinary Accounts FY2010)

(¥ in thousands except per citizen data, ▲ as minus)

| Classification | | Sapporo | Sendai | Saitama | Chiba | Yoko-hama | Sagami-hara | Kawasaki | Niigata | Shizuoka | Hama-matsu | Nagoya | Kyoto | Osaka | Sakai | Kobe | Okayama | Hiro-shima | Kita-kyushu | Fukuoka | Ave. of Designated Cities | |
|---|---|----------------|-------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|-------------|---------------|-------------|-------------|-------------|---------------------------|-------------|
| Overview | Population (March 31, 2011 register) | 1,897,333 | 1,011,592 | 1,216,892 | 939,809 | 3,700,245 | 699,756 | 1,381,706 | 803,072 | 715,637 | 792,173 | 2,180,800 | 1,382,685 | 2,537,920 | 837,977 | 1,511,855 | 689,538 | 1,159,388 | 976,711 | 1,409,297 | 1,360,073 | |
| | Households (March 31, 2011 register) | 966,903 | 463,624 | 517,437 | 421,476 | 1,586,986 | 304,014 | 664,488 | 312,793 | 293,282 | 317,904 | 1,023,179 | 683,504 | 1,321,141 | 346,308 | 685,639 | 296,389 | 518,658 | 421,235 | 712,915 | 624,099 | |
| | Total Workers (October 1, 2005 consensus) | 813,313 | 454,185 | 559,129 | 416,032 | 1,687,055 | 339,253 | 647,466 | 394,160 | 367,132 | 417,393 | 1,067,085 | 688,268 | 1,137,145 | 355,825 | 648,313 | 321,893 | 551,377 | 427,816 | 628,936 | 627,462 | |
| | Financial Capability Indicator (3-year avg.) | ⑨ 0.694 ⑩ | 0.858 ④ | 1.015 ⑥ | 0.999 ⑤ | 1.000 ③ | 1.025 ① | 1.076 ⑦ | 0.696 ⑧ | 0.910 ⑨ | 0.880 ② | 1.040 ⑭ | 0.759 ⑦ | 0.936 ⑫ | 0.825 ⑬ | 0.731 ⑮ | 0.754 ⑬ | 0.805 ⑯ | 0.695 ⑪ | 0.838 | 0.870 | |
| | Recurring Balance Ratio | % ⑨ 95.3 ⑩ | 95.4 ⑤ | 90.2 ⑮ | 97.7 ⑦ | 94.1 ⑭ | 97.2 ⑬ | 96.8 ④ | 88.1 ③ | 88.0 ② | 87.9 ⑯ | 99.4 ⑦ | 98.2 ⑮ | 99.4 ⑧ | 95.1 ⑫ | 96.4 ① | 86.1 ⑪ | 96.3 ⑮ | 97.7 ⑥ | 93.1 | 94.3 | |
| | Excluding Tax Bonds to Supplement a Tax Cut and Extraordinary Financial Measure Debts | % ⑬ | 107.7 ⑭ | 107.8 ⑤ | 100.2 ⑦ | 110.6 ⑦ | 103.1 ⑩ | 106.2 ⑧ | 103.3 ③ | 97.6 ④ | 99.8 ② | 95.7 ⑮ | 108.6 ⑯ | 110.8 ⑮ | 112.5 ⑨ | 104.7 ⑪ | 107.6 ① | 95.1 ⑪ | 107.6 ⑯ | 110.3 ⑥ | 103.0 | 104.9 |
| | Public Bond Ratio | % ⑥ | 17.0 ⑫ | 19.2 ② | 10.6 ⑮ | 24.1 | — ① | 10.3 ⑧ | 17.4 | — ⑦ | 17.1 | — ⑤ | 16.8 ④ | 16.5 | — ③ | 12.4 ⑬ | 20.7 ⑩ | 18.6 ⑨ | 17.5 ⑪ | 19.0 ⑭ | 23.8 | 17.4 |
| | Bond Issuance Restriction Ratio (3-year avg.) | % ⑤ | 13.1 ⑪ | 15.9 ① | 9.3 ⑮ | 20.5 | — ② | 9.7 ⑫ | 16.6 | — ⑧ | 14.5 | — ⑦ | 14.0 ④ | 12.1 | — ③ | 9.9 ⑬ | 17.6 ⑩ | 15.3 ⑥ | 13.8 ⑧ | 14.5 ⑭ | 18.6 | 14.4 |
| | Public Bond Expense Ratio | % ⑦ | 18.9 ⑬ | 21.2 ③ | 14.9 ⑮ | 25.8 ⑥ | 17.9 ① | 12.8 ⑪ | 19.8 ④ | 15.6 ⑦ | 18.9 ⑤ | 17.5 ⑩ | 19.5 ⑨ | 19.0 ⑮ | 22.0 ② | 14.4 ⑯ | 25.7 ⑪ | 19.8 ⑭ | 21.6 ⑯ | 22.2 ⑦ | 24.9 | 19.6 |
| Major Fiscal Indicators | Real Balance of Payments | ¥ in thousands | 2,654,507 | 1,247,461 | 4,909,725 | 312,472 | 9,198,419 | 7,958,245 | 1,354,267 | 1,594,508 | 4,138,833 | 5,926,619 | 2,442,922 | 827,441 | 408,358 | 975,055 | 77,542 | 9,081,616 | 2,240,319 | 2,118,998 | 4,064,680 | 3,238,526 |
| | Real Annual Balance of Payments | ¥ in thousands | 1,886,480 | 1,025,860 | ▲ 329,115 | 514,266 | 5,719,804 | ▲ 4,308,691 | 608,281 | ▲ 798,018 | 2,224,980 | 31,729 | ▲ 2,630,935 | 1,886,913 | 19,139 | 785,051 | ▲ 893,979 | 4,780,256 | 4,071,921 | 876,835 | 2,336,544 | 937,227 |
| | Real Deficit Ratio | % | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| | Consolidated Real Deficit Ratio | % | — | — | — | 2.87 | — | — | — | — | — | — | — | 0.16 | — | — | — | — | — | — | — | |
| | Real Debt Service Ratio (3-year avg.) | % ⑤ | 10.6 ⑧ | 11.9 ③ | 6.1 ⑮ | 21.4 ⑯ | 18.0 ① | 4.3 ⑧ | 11.9 ⑥ | 11.0 ⑫ | 12.7 ⑪ | 12.2 ⑩ | 12.1 ⑭ | 13.1 ④ | 10.2 ② | 5.4 ⑬ | 12.9 ⑮ | 16.0 ⑮ | 15.6 ⑦ | 11.7 ⑦ | 16.4 | 12.3 |
| | Future Burden Ratio | % ⑦ | 115.1 ⑩ | 155.2 ② | 47.7 ⑮ | 285.3 ⑦ | 236.5 ① | 30.1 ⑨ | 120.0 ⑧ | 119.0 ⑥ | 109.9 ④ | 64.5 ⑬ | 216.4 ⑮ | 236.3 ⑮ | 220.6 ③ | 59.8 ⑫ | 172.4 ⑤ | 108.5 ⑯ | 251.3 ⑪ | 166.0 ⑭ | 219.8 | 154.4 |
| | Reserve Outstanding | ¥ in thousands | 52,747,274 | 85,392,987 | 34,953,536 | 8,535,269 | 31,849,279 | 16,090,569 | 37,373,238 | 29,177,308 | 32,821,870 | 23,917,986 | 29,426,718 | 38,720,895 | 125,562,340 | 37,499,773 | 47,605,355 | 18,542,789 | 18,381,028 | 39,763,212 | 28,892,505 | 38,697,575 |
| | Per Citizen | ¥ | 27,801 | 84,414 | 28,724 | 9,111 | 8,607 | 23,995 | 27,049 | 36,332 | 43,069 | 30,193 | 13,494 | 28,004 | 49,475 | 44,750 | 31,488 | 26,892 | 15,854 | 40,711 | 20,501 | 31,024 |
| | Municipal Bonds Outstanding | ¥ in thousands | 910,348,029 | 717,197,141 | 399,885,675 | 748,320,698 | 2,221,136,632 | 205,269,281 | 852,950,997 | 408,112,779 | 384,993,952 | 280,865,951 | 1,732,635,189 | 1,193,389,125 | 2,770,467,936 | 298,161,319 | 1,182,038,055 | 279,233,329 | 921,013,238 | 862,090,202 | 1,275,865,987 | 928,630,290 |
| | Per Citizen | ¥ | 479,804 | 708,979 | 328,612 | 798,798 | 600,267 | 293,344 | 617,317 | 508,190 | 537,974 | 354,551 | 794,495 | 863,095 | 1,091,629 | 355,811 | 781,846 | 404,957 | 794,396 | 882,646 | 905,321 | 636,949 |
| General Administrative Employees per 100,000 People (as of April 1, 2011) | | ① 367.8 ⑦ | 424.2 ⑤ | 409.4 ⑨ | 438.1 ② | 385.4 ⑩ | 440.6 ⑦ | 539.6 ⑬ | 478.4 ⑧ | 436.0 ⑥ | 415.2 ⑯ | 534.7 ⑯ | 542.1 ⑮ | 669.8 ④ | 402.6 ⑮ | 533.3 ⑪ | 464.9 ⑫ | 469.5 ⑭ | 496.5 ③ | 392.9 | 465.3 | |
| | Total Staff per 100,000 people | ⑦ 753.6 ⑬ | 953.4 ④ | 738.9 ⑧ | 782.0 ⑥ | 751.1 ① | 645.9 ⑭ | 986.2 ⑫ | 927.7 ⑪ | 888.7 ③ | 726.4 ⑯ | 1,173.9 ⑮ | 1,025.4 ⑮ | 1,505.1 ⑤ | 746.6 ⑮ | 1,038.0 ⑨ | 844.6 ⑮ | 998.8 ⑩ | 877.5 ② | 680.6 | 897.1 | |
| | Laspeyres Index (as of April 1, 2010) | ⑭ 100.6 ⑥ | 102.4 ⑨ | 101.6 ⑩ | 101.2 ① | 105.1 ⑬ | 100.9 ② | 103.9 ⑦ | 98.8 ③ | 103.8 ⑯ | 98.4 ③ | 103.8 ⑮ | 100.0 ⑯ | 99.3 ⑯ | 98.4 ⑧ | 101.7 ⑪ | 101.1 ⑪ | 101.1 ⑤ | 103.4 ⑦ | 102.3 | 101.5 | |

* Four items included in FY2010 Ordinary Account: General Account, Land Readjustment Account (excluding Higashikariki Readjustment portion), Single Parent Family Welfare Loans Account, and Fund Account (excluding National Health Insurance Payment Provident Fund and Nursing-care Benefits Expense Provident Fund).

* Figures in ○ rank indicators and ratios from the most desirable to the least desirable. Laspeyres Index ranked from high to low.

Designated Cities: Financial Structure Comparison Chart (2)

(Financial Status for Ordinary Accounts FY2010)

(¥ in thousands except per citizen data)

| Classification | | | Sapporo | Sendai | Saitama | Chiba | Yokohama | Sagami-hara | Kawasaki | Niigata | Shizuoka | Hama-matsu | Nagoya | Kyoto | Osaka | Sakai | Kobe | Okayama | Hiroshima | Kita-kyushu | Fukuoka | Average of Designated Cities | |
|----------------|--------------------------------------|---------------------------|----------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------|------------|
| Revenue | Total Revenue | ✖ in thousands | 843,071,137 | 410,826,649 | 438,284,523 | 371,566,327 | 1,399,135,284 | 235,975,414 | 607,607,195 | 354,109,452 | 277,309,293 | 286,068,339 | 1,034,736,237 | 781,733,178 | 1,642,643,212 | 326,924,809 | 794,583,566 | 261,038,893 | 589,240,458 | 537,938,768 | 769,395,542 | 629,588,857 | |
| | General Source of Funds, etc. | ✖ in thousands | 504,192,945 | 269,618,648 | 292,520,898 | 232,771,868 | 909,363,717 | 153,727,900 | 355,509,090 | 221,521,301 | 197,961,282 | 202,246,578 | 632,391,613 | 410,093,140 | 893,313,776 | 206,317,991 | 470,932,918 | 187,896,287 | 317,623,044 | 293,916,225 | 407,793,559 | 376,826,988 | |
| | % of Revenue (General Sources Ratio) | % | ⑫ 59.8 | ⑤ 65.6 | ④ 66.7 | ⑨ 62.6 | ⑦ 65.0 | ⑥ 65.1 | ⑭ 58.5 | ⑩ 62.6 | ② 71.4 | ③ 70.7 | ⑪ 61.1 | ⑰ 52.5 | ⑩ 54.4 | ⑧ 63.1 | ⑬ 59.3 | ① 72.0 | ⑰ 53.9 | ⑮ 54.6 | ⑱ 53.0 | 61.7 | |
| | City Tax Revenue | ✖ in thousands | 275,076,554 | 172,525,235 | 216,550,570 | 169,515,444 | 700,675,193 | 106,912,685 | 281,990,525 | 117,664,185 | 125,007,849 | 123,762,054 | 476,220,402 | 245,234,616 | 626,017,510 | 131,589,447 | 267,134,578 | 108,777,349 | 201,141,625 | 157,588,382 | 265,394,105 | 250,988,332 | |
| | Per Citizen | ✖ | 144,981 | 170,548 | 177,954 | 180,950 | 189,359 | 152,786 | 204,089 | 146,518 | 174,681 | 156,231 | 218,370 | 177,361 | 246,666 | 157,032 | 176,693 | 157,754 | 173,489 | 161,346 | 188,317 | 176,585 | |
| | % of Revenue | % | ⑰ 32.6 | ⑨ 42.0 | ② 49.4 | ⑤ 45.6 | ① 50.1 | ⑥ 45.3 | ③ 46.4 | ⑯ 33.2 | ⑦ 45.1 | ⑧ 43.3 | ④ 46.0 | ⑱ 31.4 | ⑫ 38.1 | ⑪ 40.3 | ⑮ 33.6 | ⑩ 41.7 | ⑭ 34.1 | ⑰ 29.3 | ⑬ 34.5 | 40.1 | |
| | City Tax Collection Rate | % | ⑫ 94.3 | ⑯ 93.7 | ⑭ 93.8 | ⑰ 92.6 | ① 97.5 | ⑬ 94.2 | ④ 96.1 | ⑪ 94.4 | ⑱ 93.3 | ⑯ 93.7 | ② 97.3 | ③ 97.0 | ⑧ 95.3 | ⑩ 94.9 | ⑨ 95.1 | ⑭ 93.8 | ⑦ 95.5 | ⑤ 95.9 | ⑥ 95.8 | 95.0 | |
| | Local Allocation Tax | ✖ in thousands | 102,726,632 | 24,608,542 | 5,251,721 | 5,025,823 | 16,032,385 | 3,971,757 | 649,857 | 47,665,293 | 14,976,089 | 23,231,687 | 4,648,383 | 65,396,882 | 47,969,639 | 24,431,853 | 78,646,538 | 34,989,755 | 42,344,831 | 59,056,569 | 43,353,232 | 33,946,183 | |
| | % of Revenue | % | ⑰ 12.2 | ⑩ 6.0 | ④ 1.2 | ⑤ 1.4 | ③ 1.1 | ⑥ 1.7 | ① 0.1 | ⑰ 13.5 | ⑧ 5.4 | ⑬ 8.1 | ② 0.4 | ⑭ 8.4 | ⑦ 2.9 | ⑫ 7.5 | ⑮ 9.9 | ⑱ 13.4 | ⑪ 7.2 | ⑯ 11.0 | ⑨ 5.6 | 6.2 | |
| | Provisional Financial Measure Bonds | ✖ in thousands | 51,127,000 | 26,097,200 | 25,342,214 | 22,540,653 | 70,000,000 | 11,000,000 | 19,348,000 | 19,035,600 | 19,955,200 | 14,200,000 | 46,060,000 | 39,379,000 | 91,085,000 | 16,800,000 | 42,309,000 | 15,879,010 | 29,784,300 | 29,060,000 | 34,154,000 | 32,797,694 | |
| | General Recurring Sources of Funds | ✖ in thousands | 391,799,948 | 206,520,282 | 229,102,966 | 183,708,263 | 735,604,611 | 118,441,600 | 286,687,135 | 175,525,132 | 148,145,269 | 160,685,124 | 502,801,673 | 317,386,846 | 695,750,407 | 166,090,588 | 363,834,529 | 152,757,637 | 252,676,345 | 224,439,696 | 320,885,956 | 296,465,474 | |
| | Per Citizen | ✖ | 206,500 | 204,154 | 188,269 | 196,100 | 198,799 | 169,261 | 207,488 | 218,567 | 207,012 | 202,841 | 230,558 | 229,544 | 274,142 | 198,204 | 240,654 | 221,536 | 217,939 | 229,791 | 227,692 | 214,161 | |
| Expenditure | Total Expenditure | ✖ in thousands | 833,197,919 | 399,388,057 | 427,555,739 | 370,573,485 | 1,377,851,232 | 226,601,995 | 599,464,716 | 349,918,053 | 268,709,786 | 278,014,484 | 1,029,429,874 | 777,381,661 | 1,641,234,863 | 323,655,186 | 785,183,841 | 250,364,039 | 583,364,675 | 532,064,029 | 761,512,215 | 621,866,624 | |
| | Per Citizen | ✖ | 439,142 | 394,811 | 351,351 | 395,570 | 372,368 | 323,830 | 433,858 | 435,724 | 375,483 | 350,952 | 472,042 | 562,226 | 646,685 | 386,234 | 519,351 | 363,090 | 503,166 | 544,751 | 540,349 | 442,683 | |
| | Composition by Expense Type | Mandatory Expense Ratio | % | ⑩ 51.2 | ⑫ 51.4 | ⑤ 48.6 | ⑬ 52.2 | ⑨ 50.7 | ⑭ 52.5 | ⑧ 50.4 | ① 43.1 | ⑦ 49.5 | ⑥ 48.9 | ⑭ 52.5 | ④ 48.4 | ⑱ 57.5 | ⑰ 56.7 | ⑯ 54.0 | ⑰ 57.9 | ⑩ 51.2 | ③ 47.7 | ② 46.3 | 51.1 |
| | | Investment Expense Ratio | % | ⑰ 9.3 | ⑭ 10.8 | ④ 16.7 | ⑮ 9.9 | ⑩ 11.9 | ⑥ 15.2 | ⑤ 15.3 | ③ 18.3 | ② 19.1 | ① 21.0 | ⑱ 8.6 | ⑫ 11.2 | ⑰ 5.8 | ⑩ 11.9 | ⑨ 12.8 | ⑧ 13.5 | ⑯ 9.6 | ⑦ 14.2 | ⑫ 11.2 | 13.0 |
| | | Other Expense Ratio | % | 39.5 | 37.8 | 34.7 | 37.9 | 37.4 | 32.3 | 34.3 | 38.6 | 31.4 | 30.1 | 38.9 | 40.4 | 36.7 | 31.4 | 33.2 | 28.6 | 39.2 | 38.1 | 42.5 | 35.9 |
| | | Sewer System | ✖ in thousands | 21,068,334 | 9,460,459 | 8,196,092 | 8,936,689 | 58,861,598 | 3,800,000 | 16,662,742 | 13,788,214 | 9,000,769 | 6,608,529 | 39,046,882 | 23,776,971 | 32,168,410 | 9,241,855 | 7,436,401 | 10,962,551 | 20,668,688 | 7,489,108 | 22,665,564 | 17,359,992 |
| | Per Citizen | ✖ | 11,104 | 9,352 | 6,735 | 9,539 | 15,907 | 5,430 | 12,060 | 17,169 | 12,577 | 8,342 | 17,905 | 17,196 | 12,675 | 11,029 | 4,919 | 15,898 | 17,827 | 7,668 | 16,083 | 12,075 | |
| | Appropriations to Major Accounts | Transportation Operation | ✖ in thousands | 15,291,911 | 12,373,559 | 0 | 0 | 21,004,897 | 0 | 1,399,764 | 0 | 0 | 0 | 33,804,552 | 19,105,851 | 17,678,796 | 0 | 10,160,526 | 0 | 0 | 174,078 | 15,817,434 | 7,726,914 |
| | | Per Citizen | ✖ | 8,060 | 12,232 | 0 | 0 | 5,677 | 0 | 1,013 | 0 | 0 | 0 | 15,501 | 13,818 | 6,966 | 0 | 6,721 | 0 | 0 | 178 | 11,224 | 4,284 |
| | | Hospital Operation | ✖ in thousands | 6,090,838 | 2,258,693 | 1,638,405 | 4,156,945 | 6,722,921 | 0 | 8,898,332 | 2,359,618 | 4,298,132 | 2,570,042 | 13,047,228 | 2,450,202 | 10,790,049 | 2,270,000 | 0 | 1,361,212 | 5,712,794 | 4,352,654 | 0 | 4,156,740 |
| | | Per Citizen | ✖ | 3,210 | 2,233 | 1,346 | 4,437 | 1,817 | 0 | 6,440 | 2,938 | 6,006 | 3,244 | 5,983 | 1,772 | 4,252 | 2,709 | 0 | 1,974 | 4,927 | 4,456 | 0 | 3,039 |
| | | National Health Insurance | ✖ in thousands | 18,609,546 | 9,893,263 | 11,081,915 | 4,467,705 | 31,457,594 | 7,128,000 | 13,400,000 | 7,023,668 | 4,878,925 | 5,335,957 | 23,066,779 | 14,459,205 | 43,193,599 | 8,061,146 | 14,709,762 | 6,017,246 | 8,245,561 | 10,424,000 | 17,398,766 | 13,623,823 |
| Per Citizen | | ✖ | 9,808 | 9,780 | 9,107 | 4,769 | 8,501 | 10,186 | 9,698 | 8,746 | 6,818 | 6,736 | 10,577 | 10,457 | 17,019 | 9,620 | 9,730 | 8,726 | 7,112 | 10,673 | 12,346 | 9,495 | |

*Figures in O rank indicators and ratios from the most desirable to the least desirable.

*Breakdown of expenses included in each expense type is as follows.

- Mandatory expense: personnel, social assistance, public bond expenses
- Investment expense: general construction operations expenses, disaster recovery operations expenses, unemployment countermeasure operations expenses
- Other expenses: property expenses, repairs and maintenance expenses, subsidies, reserves, investment and contributions, loans, appropriations.

Special Accounts Results

FY2009

(¥ in thousands)

| Classification | Revenue | Expenditure | Balance | Fund to Be Reserved for the Following Fiscal Year | Net Balance of Settled Accounts | Breakdown of the Net Balance | |
|--|-------------|-------------|-----------|---|---------------------------------|------------------------------|--|
| | A | B | A - B = C | D | C - D | Reserve in Adjustment Fund | Amount to Be Reserved for the Following Year |
| Land Readjustment Project Ac. | 3,873,842 | 3,873,842 | 0 | 0 | 0 | 0 | 0 |
| National Health Insurance Ac. | 181,155,646 | 181,155,646 | 0 | 0 | 0 | 0 | 0 |
| Health and Medical Care for the Elderly Ac. | 460,895 | 167,072 | 293,824 | 0 | 293,824 | 0 | 293,824 |
| Health and Medical Care for the Latter-stage Elderly Ac. | 17,756,699 | 17,291,957 | 464,743 | 0 | 464,743 | 0 | 464,743 |
| Elderly Care Insurance Ac. | 94,136,688 | 93,897,308 | 239,380 | 0 | 239,380 | 239,380 | 0 |

FY2010

(¥ in thousands)

| Classification | Revenue | Expenditure | Balance | Fund to Be Reserved for the Following Fiscal Year | Net Balance of Settled Accounts | Breakdown of the Net Balance | |
|--|-------------|-------------|-----------|---|---------------------------------|------------------------------|--|
| | A | B | A - B = C | D | C - D | Reserve in Adjustment Fund | Amount to Be Reserved for the Following Year |
| Land Readjustment Project Ac. | 2,664,900 | 2,664,900 | 0 | 0 | 0 | 0 | 0 |
| National Health Insurance Ac. | 184,767,579 | 184,767,579 | 0 | 0 | 0 | 0 | 0 |
| Health and Medical Care for the Elderly Ac. | 333,875 | 253,243 | 80,632 | 0 | 80,632 | 0 | 80,632 |
| Health and Medical Care for the Latter-stage Elderly Ac. | 19,126,277 | 18,584,471 | 541,806 | 0 | 541,806 | 0 | 541,806 |
| Elderly Care Insurance Ac. | 98,955,420 | 98,561,638 | 393,782 | 0 | 393,782 | 393,782 | 0 |

Public Enterprise Accounts Results

FY2009

(¥ in thousands)

| Classification | Profit/Loss | | | Capital | | | Unappropriated Income/loss | Accumulated Capital Balance |
|--------------------------|-------------|-------------|-----------|------------|-------------|--------------|----------------------------|-----------------------------|
| | Revenue | Expenditure | Balance | Revenue | Expenditure | Balance | | |
| Hospitals | 21,508,799 | 21,662,052 | △ 153,253 | 1,950,522 | 2,940,389 | △ 989,867 | △ 17,953,080 | 3,660,776 |
| Central Wholesale Market | 1,763,646 | 2,528,629 | △ 764,983 | 0 | 1,194,215 | △ 1,194,215 | △ 4,673,666 | 1,170,809 |
| Light Rail System | 1,226,952 | 1,296,800 | △ 69,848 | 265,649 | 347,040 | △ 81,391 | 27,552 | 528,395 |
| Rapid Transit System | 46,646,311 | 43,476,696 | 3,169,615 | 23,681,843 | 40,952,728 | △ 17,270,884 | △ 334,804,438 | △ 1,084,283 |
| Waterworks | 42,423,197 | 38,104,050 | 4,319,147 | 4,858,567 | 20,749,172 | △ 15,890,605 | 3,970,669 | 5,804,560 |
| Sewerage | 41,417,411 | 41,737,594 | △ 320,183 | 19,797,796 | 39,189,249 | △ 19,391,453 | △ 27,434,857 | 6,303,667 |

FY2010

(¥ in thousands)

| Classification | Profit/Loss | | | Capital | | | Unappropriated Income/loss | Accumulated Capital Balance |
|--------------------------|-------------|-------------|-----------|------------|-------------|--------------|----------------------------|-----------------------------|
| | Revenue | Expenditure | Balance | Revenue | Expenditure | Balance | | |
| Hospitals | 22,683,577 | 22,088,947 | 594,629 | 2,025,037 | 3,028,635 | △ 1,003,599 | △ 17,359,237 | 5,016,544 |
| Central Wholesale Market | 1,811,824 | 2,426,007 | △ 614,183 | 890,692 | 1,032,010 | △ 141,318 | △ 5,287,983 | 1,413,042 |
| Light Rail System | 1,267,110 | 1,330,582 | △ 63,471 | 141,000 | 224,818 | △ 83,818 | △ 42,628 | 544,167 |
| Rapid Transit System | 47,014,626 | 42,513,803 | 4,500,823 | 21,232,135 | 39,443,899 | △ 18,211,764 | △ 330,582,777 | △ 757,556 |
| Waterworks | 42,642,864 | 37,622,722 | 5,020,141 | 5,174,658 | 21,983,702 | △ 16,809,045 | 4,593,152 | 4,286,450 |
| Sewerage | 41,568,311 | 41,041,608 | △ 526,703 | 16,389,560 | 34,975,829 | △ 18,586,269 | △ 27,279,157 | 5,957,054 |

Financials at Major Third Sector Entities, etc. (FY2010 Settlement of Accounts)

(¥ in thousands , ▲ as minus)

| Entity | | | Budget from Sapporo | Net Income (Loss) | Net Wealth/ Assets | Basic Wealth/ Capital | Stake Owner-ship (%) | |
|---------------|---------------------------|---|--|-------------------|--------------------|-----------------------|----------------------|-------|
| >50%Ownership | Local Public Corporations | Sapporo Land Development Public Corporation | 20,000 | 26,004 | 3,441,388 | 20,000 | 100.0% | |
| | Foundations | Sapporo International Communication Plaza Foundation | 400,000 | ▲ 63,366 | 1,765,637 | 520,750 | 76.8% | |
| | | Sapporo Home Welfare Service Association | 17,000 | 33,913 | 610,706 | 30,000 | 56.7% | |
| | | Sapporo Youth & Woman's Activity Association | 5,000 | 97,399 | 595,800 | 10,000 | 50.0% | |
| | | Sapporo Environment Project Corporation | 30,000 | ▲ 32,386 | 1,331,808 | 40,000 | 75.0% | |
| | | Sapporo Park Greenery Association | 20,000 | ▲ 13,820 | 609,004 | 40,000 | 50.0% | |
| | | Sapporo SME Mutual Aid Center | 30,000 | 5,733 | 784,638 | 50,000 | 60.0% | |
| | | Sapporo Electronics and Industries Cultivation Foundation | 16,000 | ▲ 12,745 | 185,071 | 30,000 | 53.3% | |
| | | Sapporo Industries and Retail Cultivation Foundation | 772,012 | ▲ 877,823 | 1,418,726 | 792,012 | 97.5% | |
| | | Sapporo Worker's Occupational Welfare Center | 15,000 | 40,218▲ | 189,237 | 20,000 | 75.0% | |
| | | Pacific Music Festival Organizing Committee | 100,000 | 43,094 | 404,387 | 136,760 | 73.1% | |
| | | Sapporo Cultural Arts Foundation | 40,606 | 4,888 | 1,378,064 | 81,212 | 50.0% | |
| | | Sapporo Health Sports Foundation | 60,000 | ▲ 515 | 108,249 | 101,706 | 59.0% | |
| | | Sapporo Sewerage Resource Corporation | 10,000 | ▲ 3,732 | 1,138,000 | 20,000 | 50.0% | |
| | | Sapporo Housing Management Corporation | 10,000 | 2,231 | 244,294 | 20,000 | 50.0% | |
| | | Sapporo Housing Management Corporation | 5,000 | ▲ 92,414 | 675,798 | 10,000 | 50.0% | |
| | | | Sapporo Transportation Service Promotion Corporation | 15,000 | 82,944 | 212,659 | 30,000 | 50.0% |
| | | | Sapporo Waterworks Service Association | 5,000 | 32,264 | 586,529 | 10,000 | 50.0% |

| Entity | | | Budget from Sapporo | Net Income (Loss) | Net Wealth/ Assets | Basic Wealth/ Capital | take Owner-ship (%) | |
|--|----------------------------|--|---------------------------------------|-------------------|--------------------|-----------------------|---------------------|-------|
| >50% Ownership | Foundation | Sapporo Disaster Prevention Association | 15,000 | ▲ 32,087 | 74,912 | 30,000 | 50.0% | |
| | | Sapporo Lifetime Learning Cultivation Foundation | 25,000 | ▲ 9,873 | 266,535 | 50,000 | 50.0% | |
| | Corporation | Sapporo Flower Wholesale Market Co., LTD. | 236,000 | 5,381 | 549,268 | 470,000 | 50.2% | |
| | | Sapporo Development Corporation Inc. | 391,752 | ▲ 35,845 | 3,496,551 | 476,752 | 82.2% | |
| | | SAPPORO DOME Co., Ltd. | 550,000 | 40,043 | 2,499,933 | 1,000,000 | 55.0% | |
| | Social Welfare Corporation | Sapporoshi Fukushi Jigyoudan | 10,000 | ▲ 21,030 | 168,786 | 10,000 | 100.0 % | |
| | 24%—49%Ownership | Unions | Sapporo Forestry Union | 3,031 | 860 | 32,567 | 8,608 | 35.2% |
| | | Foundation | Hokkaido Juvenile Welfare Association | 1,000 | ▲ 1,848 | 16,126 | 3,000 | 33.3% |
| | | Corporations | Sapporo Okadama Airport BLD Co., Ltd. | 130,000 | ▲ 22,971 | 685,922 | 498,000 | 26.1% |
| | | | Sapporo Energy Supply Co., Ltd. | 540,000 | 168,381 | 665,720 | 1,500,000 | 36.0% |
| Sappor Sub-center Development Public Corporation | | | 300,000 | 53,949 | 10,579,712 | 870,000 | 34.5% | |
| <25%Ownership | Foundations | Sapporo Employee Welfare Association | 15,000 | 65,605 | 505,188 | 191,840 | 7.8% | |
| | | Sapporo School Lunch Association | 10,000 | 1,971 | 284,695 | 125,000 | 8.0% | |
| | Corporations | Sapporo Information Network Co., Ltd. | 253,400 | 29,354 | 1,365,757 | 1,070,500 | 23.7% | |
| | | Hoku Netsu Corporation | 600,000 | 67,200 | 5,610,415 | 3,025,250 | 19.8% | |
| | | Sapporo Toshikaihatsu Kousha | 123,000 | 84,078 | 3,323,608 | 520,000 | 23.7% | |
| | | Sapporo Resort Development Co., Ltd. | 200,000 | ▲ 1,600 | 1,448,804 | 1,020,000 | 19.6% | |

Ordinary Accounts FY2009 Balance Sheet

(As of March 31, 2010
¥ in thousands, △=minus)

| Debit | | Credit | |
|---|---------------|---|---------------|
| Assets | | Debt | |
| 1. Public Asset | | 1 Fixed Liabilities | |
| (1) Tangible Fixed Assets | | (1) Municipal Bonds | 930,602,183 |
| ① Civil Engineering | 2,377,887,553 | (2) Long Term Accounts Payable | |
| ② Education | 775,766,501 | ① Purchase of Supplies and Services | 7,779,353 |
| ③ Social Welfare | 23,313,649 | ② Debt Guarantee or Indemnity | 0 |
| ④ Sanitation | 178,923,413 | ③ Others | 46,546,379 |
| ⑤ Commerce | 24,929,821 | Long Term Accounts Payable Total | 54,325,732 |
| ⑥ Fire Prevention | 13,744,102 | (3) Retirement Allowance | 90,171,726 |
| ⑦ General Affairs | 76,449,991 | (4) Reserve for Compensation for the Loss | 2,775,983 |
| Tangible Fixed Assets Total | 3,471,015,030 | Total Fixed Liabilities | 1,077,875,624 |
| (2) Salable Assets | 12,904,403 | | |
| Total Public Assets | 3,483,919,433 | | |
| 2. Investments, etc. | | 2. Current Liabilities | |
| (1) Investments and Contributions | | (1) Municipal Bonds Due Next Year | 98,660,933 |
| ① Investments and Contributions | 200,517,069 | (2) Short Term Debt (Advanced Appropriation for Next Year's Expenditure) | 0 |
| ② Allowance for Investment Loss | △ 375,958 | (3) Accounts Payable | 17,907,257 |
| Investment and Contributions Total | 200,141,111 | (4) Retirement Payment Due Next Year | 15,266,000 |
| (2) Loans | 8,148,989 | (5) Allowance for Bonus | 5,438,259 |
| (3) Funds | | Current Liabilities | 137,272,449 |
| ① Union reserves: Retirement Benefit | 0 | Total Current Liabilities | 1,215,148,073 |
| ② Other Special Funds | 30,138,619 | | |
| ③ Land Development Fund | 66,517,945 | | |
| ④ Reserve Funds of a Fixed Amount | 0 | | |
| ⑤ Funds for Retirement Allowance Associations | 0 | | |
| Fund Total | 96,656,564 | | |
| (4) Delinquent Receivables | 12,447,568 | | |
| (5) Uncollectible Amount | △ 3,773,534 | | |
| Total Investments | 313,620,698 | | |
| 3. Current Assets | | Net Assets | |
| (1) Cash Deposits | | 1. National or Prefectural Treasury Disbursement for Public Asset Development | 663,304,860 |
| ① Financial Adjustment Fund | 9,928,986 | 2. General Revenue Sources for Public Asset Development | 1,970,369,756 |
| ② Debt Service Fund | 62,949,624 | 3. General Funding | △ 365,886,097 |
| ③ Annual Cash | 1,950,451 | 4. Asset Evaluation Balance | 399,015,045 |
| Cash Total | 74,829,061 | Total Net Assets | 2,666,803,564 |
| (2) Accounts Receivable | | | |
| ① Local Tax | 6,181,879 | | |
| ② Others | 5,586,041 | | |
| ③ Uncollectible Amount | △ 2,185,475 | | |
| Amounts Receivable Total | 9,582,445 | | |
| Total Current Assets | 84,411,506 | | |
| Total Assets | 3,881,951,637 | Fixed Liabilities & Net Assets Total | 3,881,951,637 |

FY2009 Cash Flow Statement of Ordinary Accounts

April 1, 2009 - March 31, 2010

(¥ in thousands,
△ = minus)

| 1 Ordinary Balance | |
|--|--------------------|
| Personnel Expenses | 111,161,320 |
| Supplies and Service Expenses | 71,288,746 |
| Social Security Benefit Payments | 189,493,259 |
| Subsidies | 68,285,774 |
| Interest Cost | 17,620,079 |
| Accounting to Transfer Unfinished Projects to the Accounting of Other Activities | 65,868,182 |
| Other Expenses | 22,044,122 |
| Expense Total | 545,761,482 |
| Local Tax | 274,794,187 |
| Local Allocation Tax | 101,734,268 |
| National and Prefectural Subsidies | 176,793,914 |
| Rents/fees | 17,002,021 |
| Charges/allotments/donations | 3,887,990 |
| Miscellaneous Revenues | 13,891,517 |
| Municipal Bonds Issue Amount | 24,453,000 |
| Reversal of Funds | 18,490,546 |
| Other Revenues | 36,489,396 |
| Revenue Total | 667,536,839 |
| Ordinary Balance Total | 121,775,357 |

| 2. Public Property Maintenance Balance | |
|---|---------------------|
| Public Property Maintenance Expenses | 63,953,061 |
| Public Property Maintenance Subsidies | 6,861,826 |
| Accounting to Transfer Accounts Brought Forward to be Appropriated for Construction to the Accounting of Other Activities | 5,299,355 |
| Expense Total | 76,114,242 |
| National and Prefectural Subsidies | 15,319,301 |
| Municipal Bonds Issue Amount | 27,030,000 |
| Reversal of Reserve for Funds | 12,624 |
| Other Revenue | 4,009,593 |
| Revenue Total | 46,371,518 |
| Public Property Maintenance Expense Revenue Total | △ 29,742,724 |

| 3. Investment and Financial Balance | |
|---|---------------------|
| Investment and Capital | 300 |
| Loans | 94,933,469 |
| Fund Requirements | 3,298,305 |
| Transfer to Other Account - the Fixed Amount for Funds Management | 375,709 |
| Accounting to Transfer Debt Service to the Accounting of Other Activities | 25,683,440 |
| Redemption of Municipal Bonds | 81,031,125 |
| Payment for Long-term Accrued Liability | |
| Expense Total | 205,322,348 |
| National and Prefectural Subsidies | 699,833 |
| Collection Loans | 98,651,064 |
| Reversal of Reserve for Funds | 313,779 |
| Municipal Bonds Issue Amount | 2,544,000 |
| Sell-off of Public Property | 5,050,557 |
| Other | 5,568,344 |
| Revenue Total | 112,827,577 |
| Investment and Financial Balance Total | △ 92,494,771 |

| | |
|--|-----------|
| Increase (Decrease) of Advance Appropriation for Next Year's Expenditure | 0 |
| Increase (Decrease) in Cash Amount | △ 462,138 |
| Beginning of the Year Cash Balance | 2,412,589 |
| End of the Year Cash Balance | 1,950,451 |

*1 Information pertaining to the interest on temporary borrowing

① The rise and fall of the interest on temporary borrowing is not included in statement of cash flow

② Maximum temporary borrowing limit for FY2009 is JPY219,246,315,000

③ The interest expense includes the JPY60,159,000

*2 Information pertaining to the primary balance

| | | |
|--|---|-------------|
| Total revenue | | 826,735,934 |
| Municipal bonds issue amount | △ | 54,027,000 |
| Reversal of amounts reserved in financial adjustment funds | △ | 3,553,148 |
| Expenditure total | △ | 826,666,999 |
| Redemption of Municipal Bonds | | 98,591,045 |
| The amounts reserved in financial adjustment funds | | 791,031 |
| Fiscal revenue and expenditure | | 41,870,863 |