

Financial Condition of City of Nagoya



Nagoya Castle Honmaru Palace
Open to public

Major redevelopment of the area surrounding Nagoya Station is making progress



Port of Nagoya
Boasting the nation's busiest port
in both shipping tonnage and cargo value
(photo by Nagoya port authority)



National important cultural property – Nagoya city hall

October 2018
Finance Bureau, City of Nagoya

Contact

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MRJ (photo by Mitsubishi Aircraft Corporation)

FY2018 City of Nagoya's Bond Issuance Plan

(Million Yen)

Category	FY2018 A	FY2017 B	YOY Change A-B
Government Funds <small>(Fiscal Loan Fund, loans from Japan Finance Organization for Municipalities, National Budget, etc.)</small>	41,693	35,239	6,454
Private Funds	176,582	158,826	17,756
Public Bond Offerings	132,000	120,000	12,000
(Flex quota)	(40,000)	(28,000)	(12,000)
Bonds underwritten by banks	44,582	38,826	5,756
Total	218,275	194,065	24,210

* This plan may change, as it is an estimate at the beginning of FY2018

FY2018 Plan for Public Bond Offerings

(Million yen)

Maturities	Issue Amount	Monthly Plan											
		Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Medium-term bonds	10,000								5yr 10,000				
10-year bonds	60,000			10,000			20,000				10,000		20,000
Ultra-long-term bonds	20,000		20yr 10,000							30yr fixed redemption bond 10,000			
City resident bonds	2,000								2,000 Upsize for 5yr				
Flexible quota	40,000		Upsize for 20yr 10,000						10,000		20,000		
Total	132,000		20,000	10,000			20,000	22,000	10,000	10,000			20,000

* The figures from April to October indicate actual results and figures in or after November indicate plans as of October 2018

* The monthly total of planned issuances does not include flexible quota in/after November

Highlights of FY2018 Bond Issuance Plan

1. Expected amount of city bonds

The amount of city bonds to be issued in this fiscal year is expected to increase by approx. 24.2 billion yen from the previous fiscal year, of which approx. 6.4 billion yen from public funds and approx. 17.8 billion yen from private funds.

2. Bond management focusing on market situations

The city continues making efforts on bond management focusing on market situations

(1) Implementation of negotiated style deals

The city continues to emphasize the importance of communication with the market, utilizing negotiated style deals for mid-term, long-term(planned in June and December) and ultra-long-term bonds.

(2) Securing of flexible quota: 40 billion yen

The flexible quota for this fiscal year is increased by 12 billion yen from the previous fiscal year to 40 billion yen in order to achieve flexible and agile bond issuances in response to the market environment.

(3) Proactive investor relation management

The city proactively visits investors at the time of bond issuance etc.

3. Continuous efforts in developing new initiatives

The city continues to examine various initiatives for municipality bonds and City of Nagoya such as the public offering of tail-heavy 10-year fixed redemption municipal bonds in the previous year, taking account of the market needs

Issuance Amount of Public Bond Offerings in FY2016/2017

Issuance Amount for FY2017

(Million yen)

Category	Amount	Monthly Plan												
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Medium-term bonds	10,000									5yr	10,000			
10-year bonds	60,000			10,000			20,000				10,000			20,000
Ultra-long bonds	20,000	20yr	10,000				30yr	10,000						
City resident bonds	2,000							2,000						
Flexible quota	33,000	Upsize for 20yr	5,000	5,000	Upside for 10yr	10yr fixed redemption		13,000	Upside for 10yr	5,000	Upside for 10yr	(5,000)		
Total	125,000		15,000	15,000			20,000	25,000		30,000				20,000

* The 30-year bonds described in the column of October was priced in October and issued in November.

Issuance Amount for FY2016

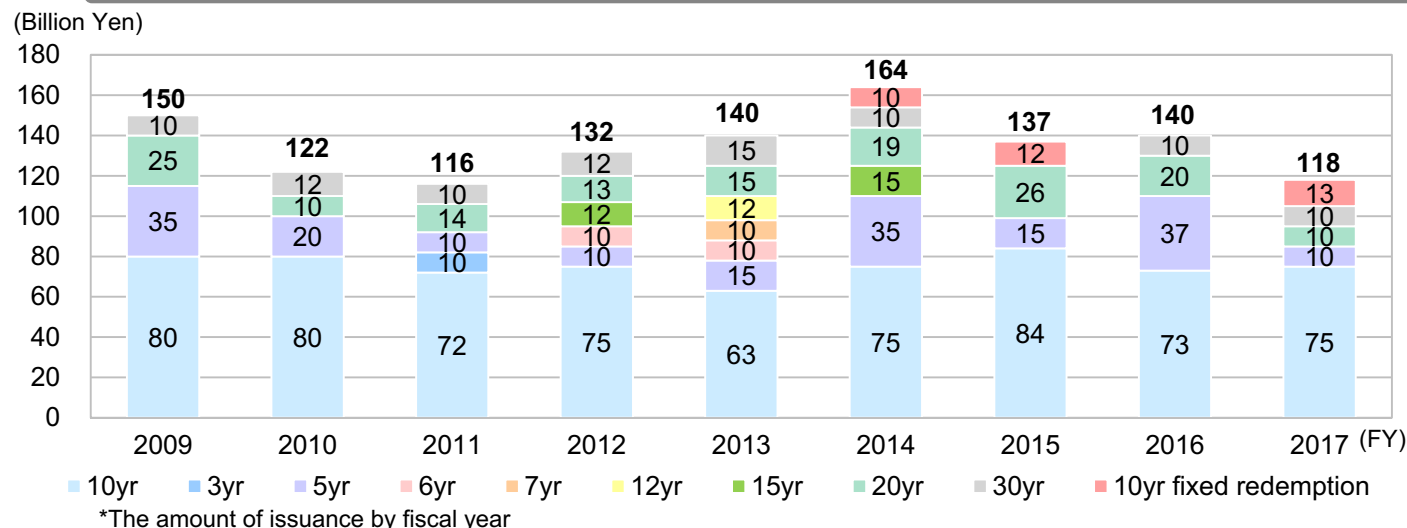
(Million yen)

Category	Amount	Monthly Plan												
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
5-year bonds	10,000			10,000										
10-year bonds	60,000			10,000			20,000				10,000			20,000
Ultra-long bonds	20,000	10,000	20yr				30yr	10,000						
City resident bonds	2,000							2,000						
Flexible quota	45,000	5,000	Upside for 20yr	7,000	Upside for 5yr		5yr	20,000	Upside for 10yr	8,000				
Total	137,000	15,000		32,000			20,000	32,000		18,000				20,000

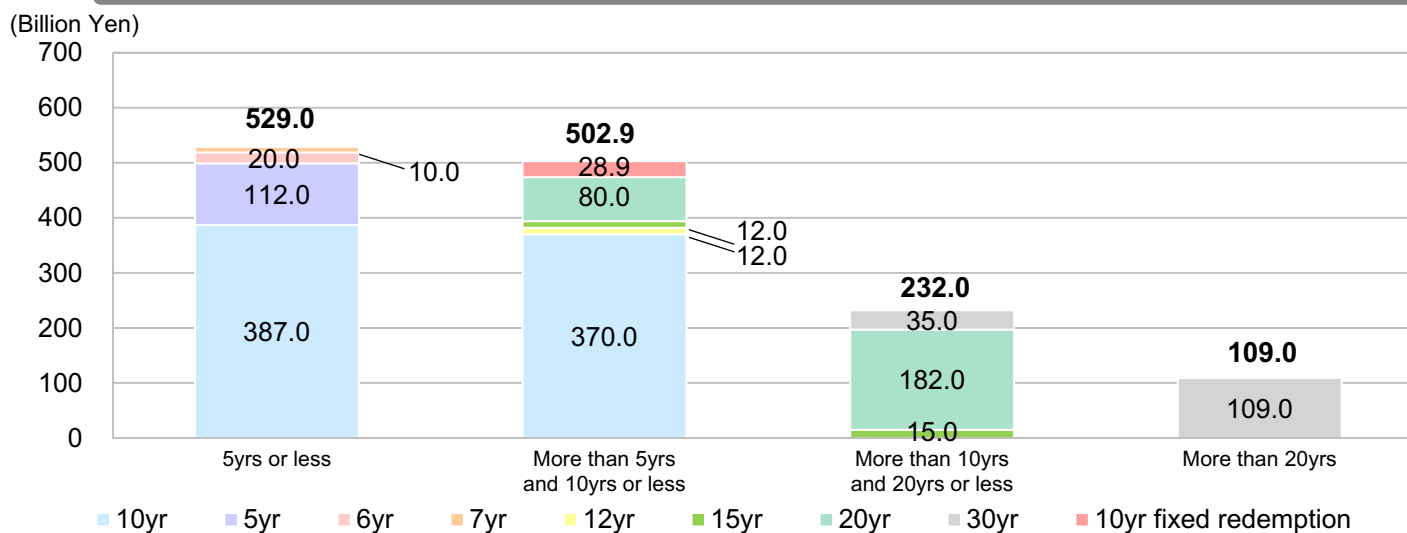
Actual Issuance of PublicBonds

- The bonds that the city offers are all negotiated style and mainly in 10yrs, together with shorter or longer tenor to fund in a balanced manner.
- Since FY2009, the city has introduced the flex quota to enable flexible responses to changing financial situations.

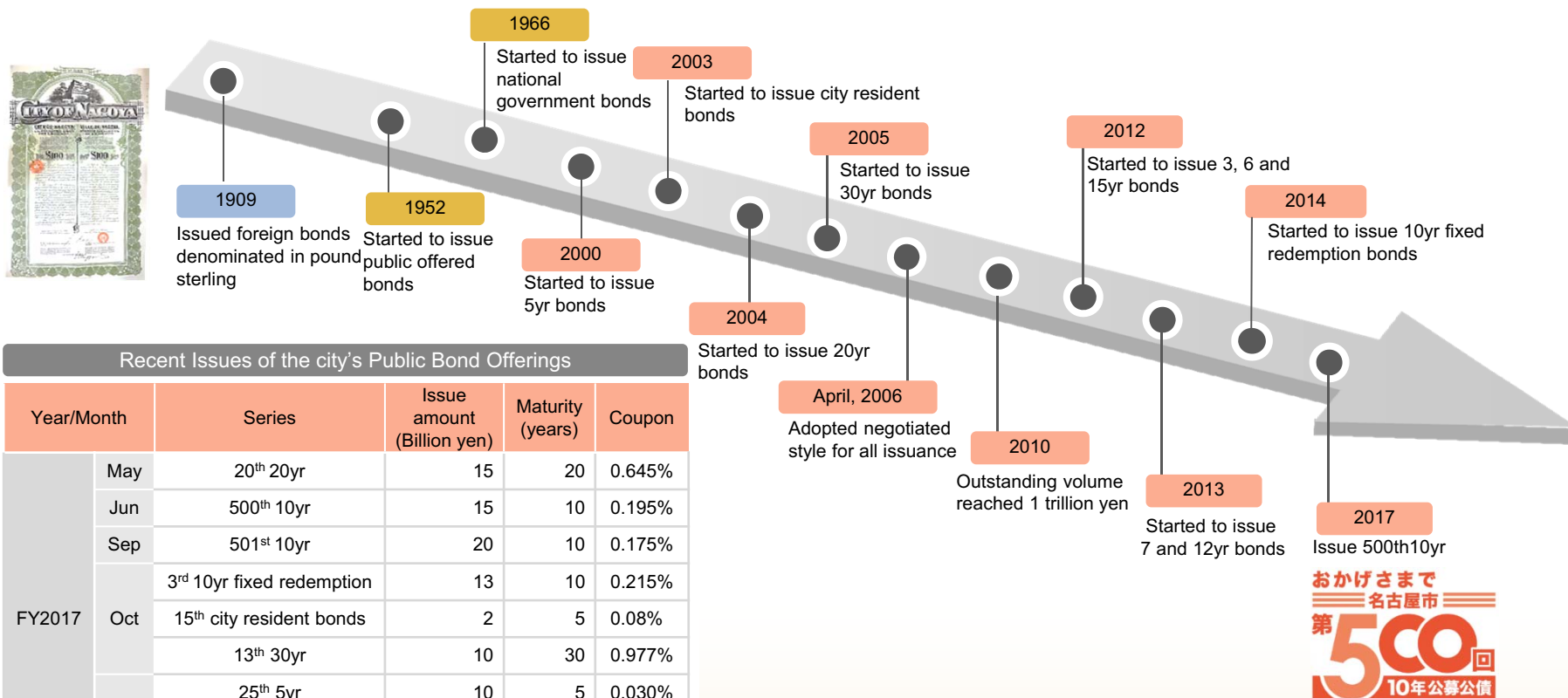
Amount of Publicly Offered Bonds since FY2009



Outstanding Amount by Maturity as of the End of FY2017



Postwar History of The City's Public Bond Offerings



Recent Issues of the city's Public Bond Offerings

Year/Month	Series	Issue amount (Billion yen)	Maturity (years)	Coupon	
FY2017	May	20 th 20yr	15	20	0.645%
	Jun	500 th 10yr	15	10	0.195%
	Sep	501 st 10yr	20	10	0.175%
	Oct	3 rd 10yr fixed redemption	13	10	0.215%
		15 th city resident bonds	2	5	0.08%
	Dec	13 th 30yr	10	30	0.977%
		25 th 5yr	10	5	0.030%
	Mar	502 nd 10yr	20	10	0.205%
FY2018	May	503 rd 10yr	20	10	0.205%
	May	21 st 20yr	20	20	0.568%
	Jun	504 th 10yr	10	10	0.205%
	Sep	505 th 10yr	20	10	0.259%
Oct	26 th 5yr	20	5	0.020%	

- Nagoya started public bond offerings in 1952. The city's bonds have a longer postwar history than Japanese government bonds
- Before the war, in 1909, Nagoya issued foreign bonds denominated in pound sterling
- Nagoya has diversified maturities since 2000

Credit Rating

- Nagoya has obtained a rating from Moody's Investors Service Inc.(currently Moody's Japan K.K.) since Nov 7, 2007.
- Along with the downgrading of Japan government's rating from Aa3 to A1 on December , 2014, the City of Nagoya's and other municipalities' rating were also changed to A1.

BIS Risk Weight	
Government bonds	0%
City bonds (Nagoya city bonds)	0%
Government-guaranteed bonds	0%
FILP agency bonds	10%
Bank debentures	20%

Rating by Moody's

A1

(Stable) = Same as Japanese Government Bond

Basis of rating

- Strong tax revenue base as a hub of the Tokai region with strong economic power
- Strong liquidity
- The central government's robust involvement in local fiscal management and solid intuition framework including the fiscal coordination system

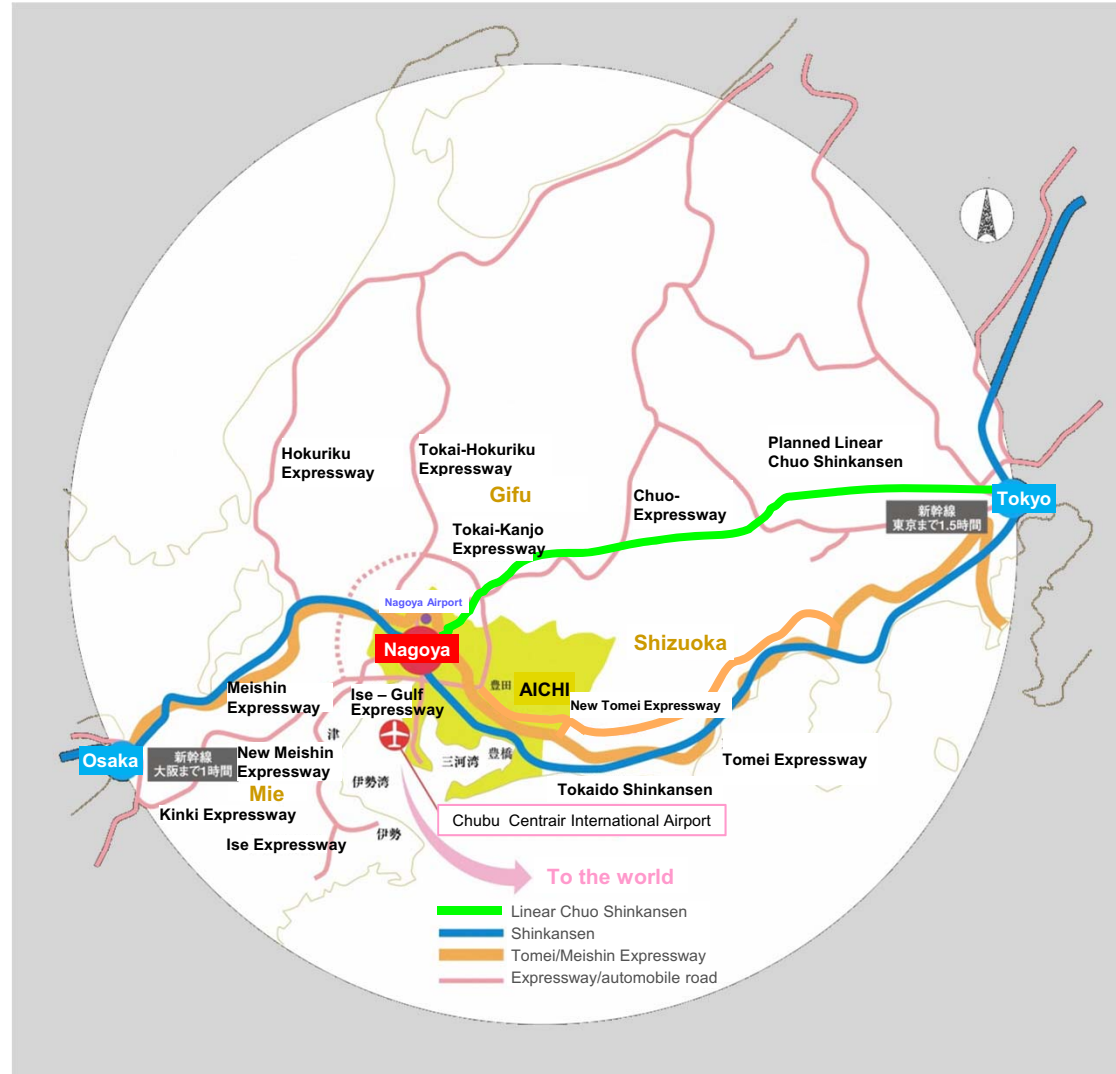
Profile of Nagoya

Nagoya Overview	
Area	326.45km ² (Oct 1, 2017)
Average temperature	15.9°C (Average in 2017)
Precipitation	1,701.5mm (Total in 2017)
Population	2,314,125 (Oct 1, 2017)
Households	1,088,175 (Oct 1, 2017)
Daytime population	2,589,799 (Oct 1, 2015)
Business establishments	124,636 (Jul 1, 2014)
Employed individuals	1,425,480 (Jul 1, 2014)

Do you know the mark ?

The above-shown symbol, with the Japanese numeral 8 in a circle, was designated as City of Nagoya's city emblem in 1907. This symbol is believed to have originally been a distinguishing mark used by Owari Branch of Tokugawa Family—"numeral eight in a circle" mark.

A distinguishing mark generally refers to a mark that distinguishes a family or a group from others. The numeral eight in a circle mark was Owari Branch's unofficial crest used on its servants' lanterns, as rank-and-file members' family crests, by logistics corps, etc. (The Branch's official family crest was designed with leaves of asarum caulescens, a kind of wild ginger.)



Revitalizing Towns, People and Work

Purpose of strategy

The city is seeing a declining birthrate and aging population; population is expected to start declining soon. The City of Nagoya has developed the Comprehensive Strategy for Revitalizing Towns, People and Work and has been implementing various initiatives with the aim of maintaining vitality in the future as a hub of the Nagoya metropolitan area while accurately responding to a declining population and demographic change.

Period

Similar to the government's comprehensive strategy, the strategy covers the five years from 2015 to 2019. In addition, similar to the government's long-term vision, the city's population vision maps out a future vision looking 45 years into the future (2060)



Four basic goals of comprehensive strategies

1. Creating towns that keep growing by leveraging their industrial competitiveness



- Promoting next-generation industries
- Revitalizing regional economies through sustainable development of regional industries

3. Creating towns where young people can realize their dreams



- Creating an environment where people can confidently have and raise children
- Creating an environment where young people can thrive

2. Creating lively towns through promotion of tourism



- Revitalizing the areas by promoting tourism and attracting MICE

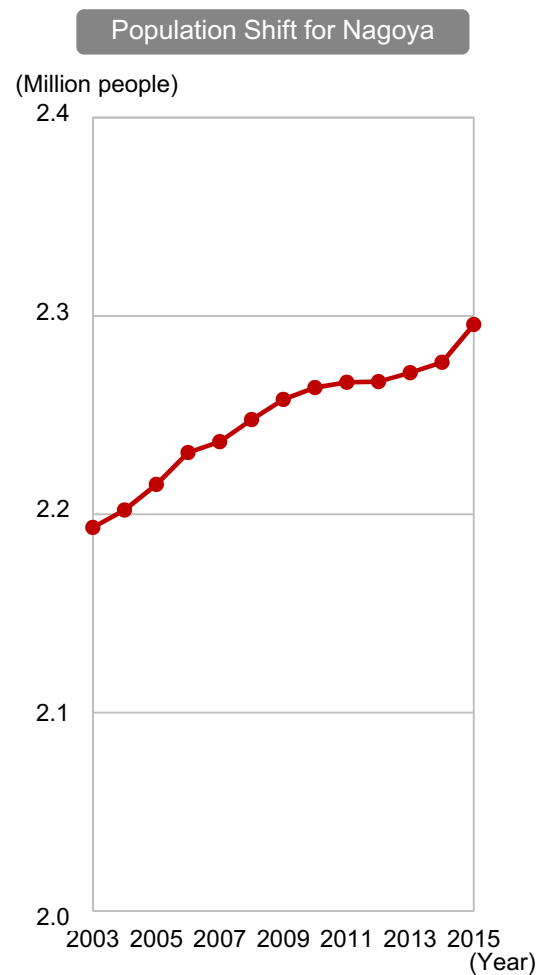
4. Creating towns where the elderly can live happily



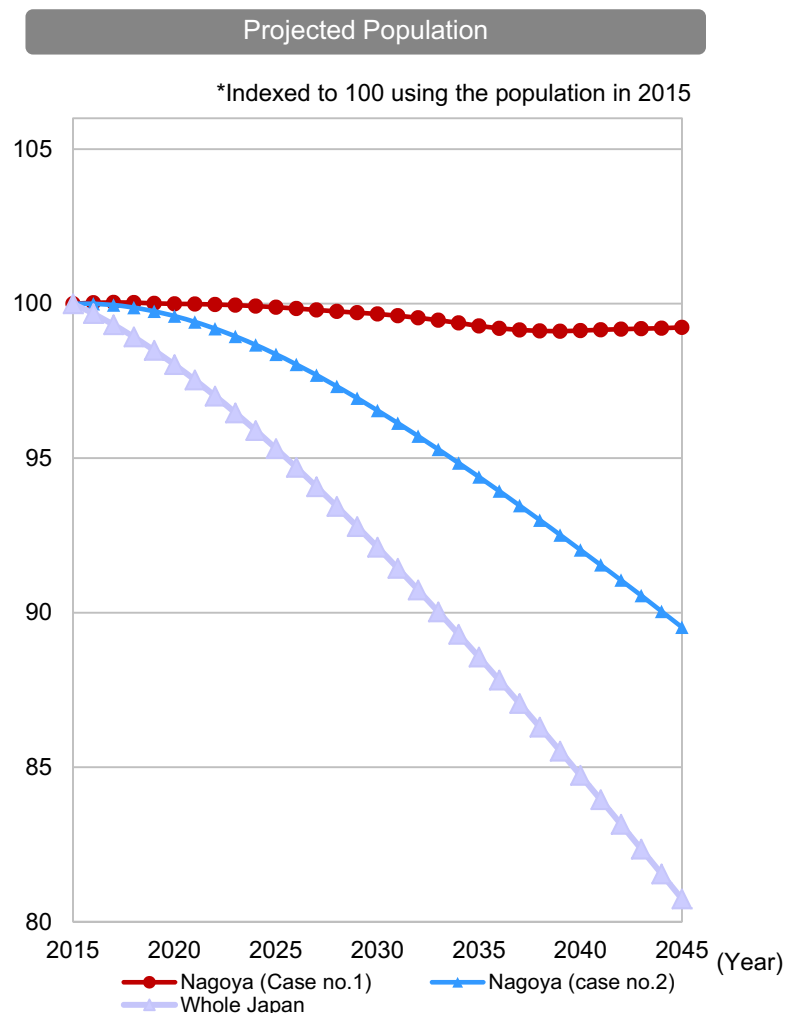
- Creating a regional framework for mutual support and a comprehensive regional care system

Population Dynamics of Nagoya

- Nagoya has a population of 2,314,125 as of October 2017, which is the third largest among the ordinance-designated cities. This number was recorded as historical high, after 21 consecutive years' growth since 1997.
- According to the city's estimate (case 1), its population is expected to remain flat if the targeted birth rate for young generation is achieved and excessive population outflow is alleviated (assuming that population outflow will be peaked out in 2020 owing to the central government's effort to balance out population overconcentration in Tokyo).
- The city's estimate (case 2) shows that its population will decrease but relatively moderately than nationwide decline if the birth rate and population outflow remains at the current level.



* As of October 1 of each year



*Nagoya city's population data is prepared based on the estimate described in "The City of Nagoya Comprehensive Strategy for Revitalizing Towns, People and Work (March 2016)"
 *The national population data is based on National Institute of Population and Social Security Research, "Population Projection for Japan by Municipality (estimates in January 2012)"

Nagoya's Transportation Network

■ Transportation network surrounding the City of Nagoyais highly developed as a gateway to Nagoya Metropolitan Area ; the port of Nagoya as the maritime gateway to the Chubu region and the Chubu Centrair International Airport at approx.30 minutes train ride from Nagoya Station

■ When the Linear Chuo Shinkansen Line starts operating, the travel time between Tokyo and Nagoya will only be 40 minutes from the current 100 minutes. Furthermore, in addition to the opening of the New Tomei Expressway in FY2015, Moriyama Smart Interchange (IC) was opened in March 2018, contributing to the further enhancement of Nagoya's transportation network



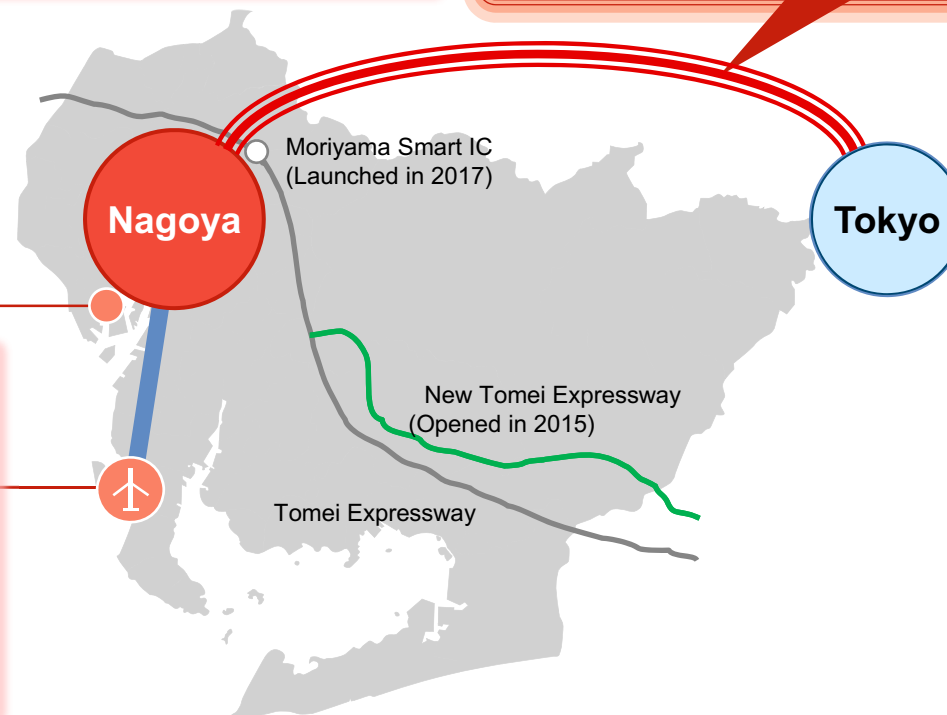
Port of Nagoya

Located in the center of the Pacific side of the Japanese archipelago, the port of Nagoya has been developed as an integrated port equipped with logistics, production, disaster prevention, exchanges and transportation functions. The total weight of the cargos was approx. 195.97 mil. tons in 2017, the largest in Japan for 16 consecutive years since 2002. The port supports the industry and citizens in the Chubu region where global manufacturing industries, including automotive, machine tool and aerospace industries, are concentrated



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The operation of the Linear Chuo Shinkansen Line (between Tokyo and Nagoya), which is to be started in 2027, will enable travelling between the two cities in approx.40 minutes.



Chubu Centrair International Airport

International flights:
334 flights/week ; 31 cities
Domestic flights:
84 flights/day; 19 cities
As of June 15, 2018

Special Zone to Create Asia's No.1 Aerospace Industrial Cluster

In December 2011, Aichi Prefecture including the city of Nagoya and Gifu Prefecture were designated as an international strategic zone, specifically Special Zone to Create Asia's Number One Aerospace Industry Cluster.

"The Special Zone to Create Asia's No.1 Aerospace Industrial Cluster" is an international strategic special zone designated by the government in accordance with the General Act on Special District, with an aim of establishing a major cluster of aerospace industries that are comparable to Europe and the United States and unrivalled in emerging countries including Asian countries.

The Special Zone was expanded in October 2013 to include Mie prefecture and in June 2014 Nagano and Shizuoka prefectures, with the aim of mobilizing the resources of the Chubu region and thereby taking the next big step in developing the three global bases for the aerospace industries in the region along with US's Seattle and France's Toulouse.



Provided by MRJ and Mitsubishi Aircraft Corporation



Loading Boeing 787 components to a specialized transport aircraft (Boeing 747 "Dream Lifter")



Aichi Prefecture's Flight Research Center and JAXA's Nagoya Flight Research Center

Overview

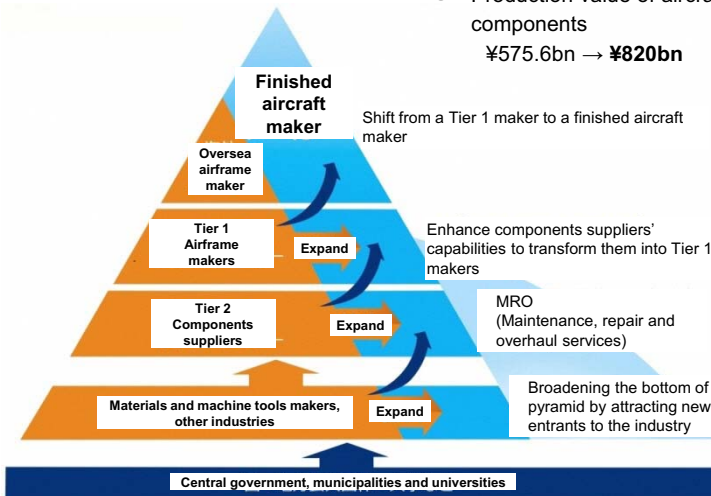
Objective

To create Asia's largest and most effective aerospace industry cluster

Numerical target (2013→2020)

- Total production value in the aerospace industry
¥871.9bn → **¥1,180bn**
- Production value of aircraft and components
¥575.6bn → **¥820bn**

- Employees in the aerospace industry in the Chubu region
18,600 → **25,000**
- Aerospace-related export amount from the Chubu region
¥351.3bn → **¥680bn**
- No. of newly installed aerospace-related facilities in the Chubu region
40 units over the 5 years from FY2016 to 2020



Currently, a number of aerospace companies are located in this special zone including global finished aircraft manufacturers at the top of the pyramid, major airframe manufacturers as primary subcontractors (Tier-1) and other manufacturers as secondary subcontractors (Tier-2).

The Special zone aims to become a global hub of the aerospace industry by attracting more firms to broaden the bottom of pyramid and by further enhancing functions to produce aircrafts through acquisitions of entire aircraft integration (finished aircraft production) technologies, which are required for top of the pyramid.

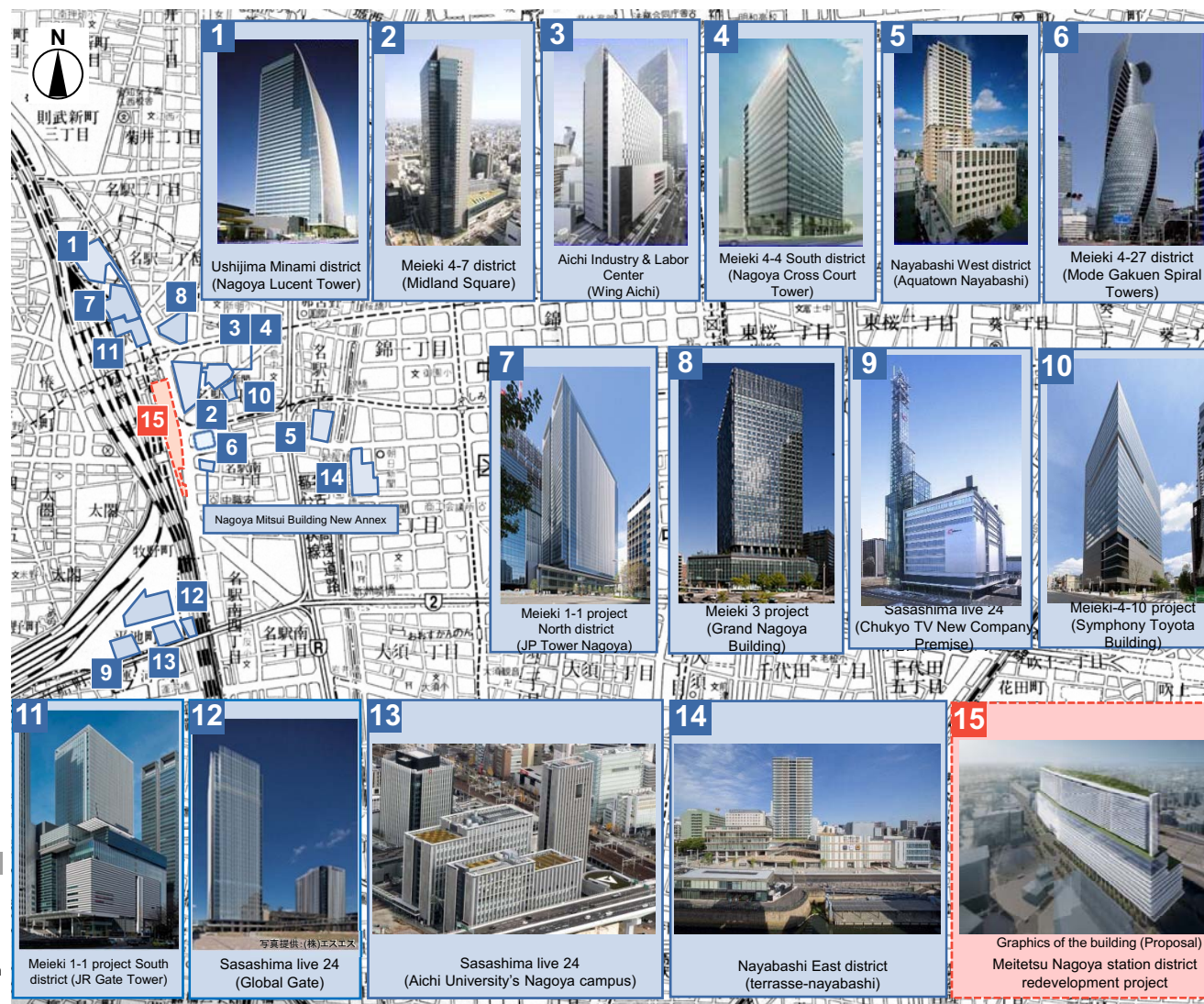
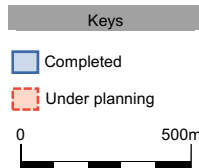
Redevelopment of the Area around Nagoya Station

Overview

The area surrounding Nagoya Station, which will be the terminal for the Linear Chuo Shinkansen upon its opening, along with the Sakae area, have been designated as an urgent urban renewal area to promote the creation of bases for reinforcing the city's international competitiveness. The area is expanding steadily.

Against this backdrop, major private sector-led redevelopment projects such as JR Gate Tower and JP Tower Nagoya are underway, bringing a lively atmosphere to the area. In addition, redevelopment plans by Nagoya Railway are scheduled for the future.

Additionally, in the Sasashima Live 24 District, all of the commercial facilities were launched in October 2017 along with the start of operation of the GLOBAL GATE. Through this launch, the area around Nagoya station is expected to further improve its functions.



Aiming to Realize Super Terminal Nagoya!

The operation of Linear Chuo Shinkansen between Tokyo and Nagoya is scheduled to be started in 2027 and its Nagoya City terminal station will be located underground beneath Nagoya Station, which will further enhance Nagoya Station's locational advantages and convenience.

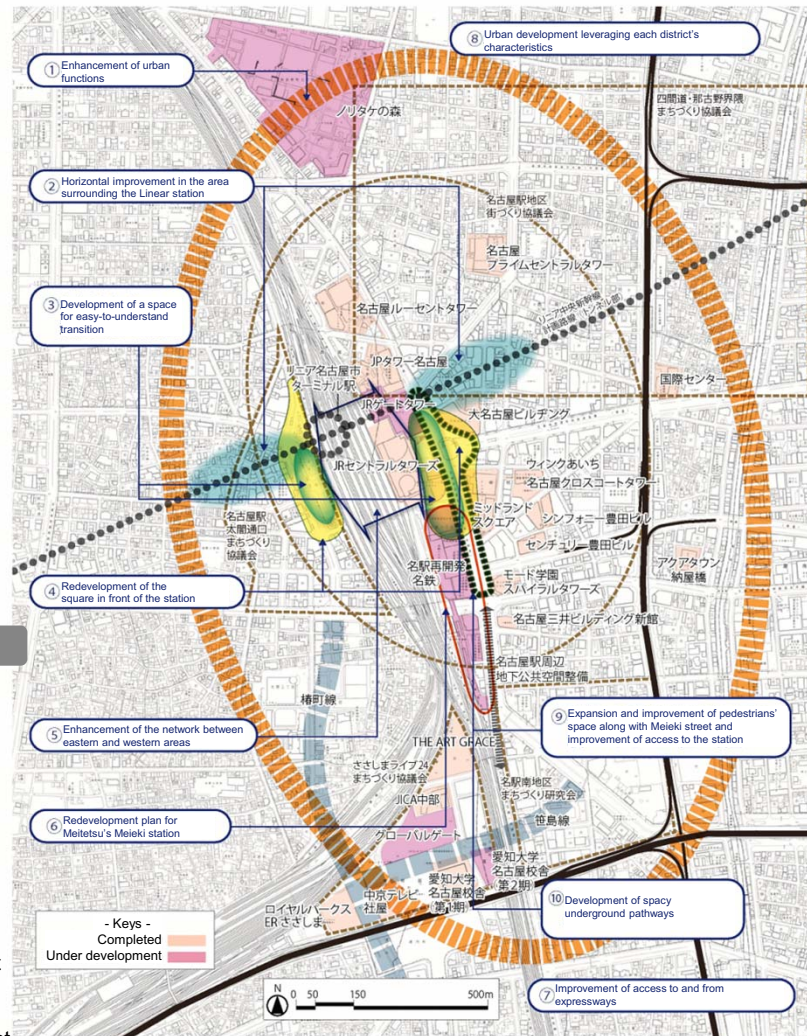
The municipality government of Nagoya has compiled "Urban Development Initiatives for the Area Surrounding Nagoya Station," which indicate goals of and approaches towards collaborative urban development to be shared with various entities including railway operators.

The city's targeted vision

Globally-recognized super terminal Nagoya:
A city filled with attractiveness and vitality and equipped with world-class terminal stations

Initiatives for FY2018

- City development in the area around Nagoya station
- Survey and discussions for examining effective use of space above stations
- Discussions to promote private-led redevelopments for the surrounding districts
- Enhancement of the functions of Nagoya terminal station
- Preliminary designing of the East and West transfer space and open space in front of the station
- Preliminary designing of new East and West passageways



Major projects and Schedule

	FY2014 (Previous period)	FY2020 (Later period)	FY2027 (The parties)
① Enhancement of urban functions	Examination of the incentive	The private reproduction development in the city reproduction special district	<ul style="list-style-type: none"> • City of Nagoya • Central government, Aichi pref. • Developer
② Horizontal improvement in the area surrounding the Linear station	Examination of the improvement contests	Necessary procedures	<ul style="list-style-type: none"> • City of Nagoya • Central government, Aichi pref. • Railway operators • Developer
	Acquisition etc. of station area	Building transfer land improvement building improvement	
③ Development of a space for easy-to-understand Transition	Examination of the improvement contests	Planning of improvement, Necessary procedures	<ul style="list-style-type: none"> • City of Nagoya • Central government, Aichi pref. • Railway operators • Underground street company
		Design and improvement	
④ Redevelopment of the square in front of the station	Examination of the improvement contests	Planning of improvement, Necessary procedures	<ul style="list-style-type: none"> • City of Nagoya • Railway operators • Underground street company • Transportation facilities manager
		Design and improvement	
⑤ Enhancement of the network between eastern and western areas	(new east and west passageway)		<ul style="list-style-type: none"> • City of Nagoya • Railway operators
	Planning and examination of the improvement contests	Necessary procedures	
⑥ Redevelopment plan for Meitetsu's Meieki station	(effective practical use of existing passageway)		<ul style="list-style-type: none"> • City of Nagoya • Railway operators
	Examination of the improvement contests	Planning of improvement, Necessary procedures	
⑦ Improvement of access to and from expressways	(Redevelopment of the railway station and bus terminal)		<ul style="list-style-type: none"> • City of Nagoya • Railway operators • Developer
	Planning and examination of the improvement contests	Necessary procedures	
⑧ Urban development leveraging each district's characteristics	Examination of the improvement contests	Planning of improvement, Necessary procedures	<ul style="list-style-type: none"> • City of Nagoya • Central government, Aichi pref. • Expressway public corporation
	Improvement of Tubakimachi-line and Sasashima-line	Design and improvement	
⑨ Expansion and improvement of pedestrians' space along with Meieki street and improvement of access to the station	Improvement of Tubakimachi-line and Sasashima-line	Planning and improvement of the Sasashima-line (south district of Nagoya station)	<ul style="list-style-type: none"> • City of Nagoya • Urban development organization
		Carry out every district	
⑩ Development of spacy underground pathways	Organizing of city development creating vision for the future and consensus building, practice of area management etc.		<ul style="list-style-type: none"> • City of Nagoya • Railway operators • Underground street company • Transportation facilities manager • Urban development organization
	Examination of the improvement contests	Planning of improvement, Necessary procedures	
⑩ Development of spacy underground pathways	Examination of the improvement contests	Planning of improvement, Necessary procedures	<ul style="list-style-type: none"> • City of Nagoya • Underground street company • Developer
		Design and improvement	

After the starting operation of Linear Chuo Shinkansen

Port of Nagoya With Japan's Largest Cargo Volume; and Initiatives to Develop a Center for Manufacturing and Cultural Exchanges

- Grand opening of a Theme Park "LEGOLAND® Japan Resort"

Port of Nagoya

Opened in 1907, Port of Nagoya has been a maritime gateway to support the manufacturing industry and people's livelihood in the Chubu Region. Today the Port has developed into an international port equipped with comprehensive functions, connected with 160 countries and territories and dealing with Japan's largest cargo volume etc.

Port of Nagoya is Japan's largest port in the following categories: (2017 actual values)

Category	Data	2 nd largest	3 rd largest
Cargo volume	195.97ml. tons	Chiba	Yokohama
Export value	11,742.1bn yen	Yokohama	Tokyo
Trade surplus value	6,876.5bn yen	Yokohama	Kobe
No. of automobiles exported	1,301,713 units	Mikawa	Yokohama



(Photo by Nagoya Port Authority)

Center for manufacturing and cultural exchanges

The city of Nagoya has formulated a plan to develop a center for manufacturing and cultural exchanges at Port of Nagoya's Kinjo Pier where people will conduct various exchanges with focuses on "manufacturing" and "industrial technologies."

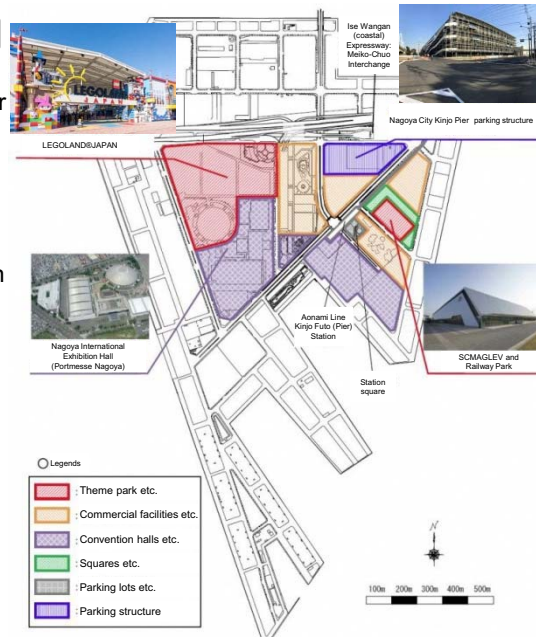
So far, it has developed such facilities as Manufacturing and Cultural Exchange Plaza and also held a tree planting festival and various trial sessions. Currently it is discussing various initiatives for further development following the opening of a theme park based on proposals from the private sector.

■ SCMAGLEV and Railway Park:

JR-Central's railway museum opened in March 2011 – introducing advances in high speed railway technologies including JR-Central's bullet trains, the Shinkansen.



(Photo by Central Japan Railway Company (JR-Central))



■ LEGOLAND® Japan Resort

LEGOLAND® Japan opened on April 1, 2017 at Kinjo-Futo, Nagoya for the first time in Japan. Operating 8 parks in 7 countries, LEGOLAND is a popular theme park around the world targeting families with children aged 2-12 years. In April 2018, SEA LIFE Nagoya, an aquarium, where you can experience "Look, touch, and learn," and LEGOLAND® Japan Hotel was opened. The hotel offers fun and joyful experiences for children through LEGO®'s unique view on the world. The area is expected to become a more exiting spot.



©2017 The LEGO Group

Restoration of Nagoya Castle Tower and Honmaru Palace

Nagoya Castle was constructed in 1612 on the orders of Ieyasu Tokugawa as residence of the Owari lineage of the Tokugawa family and was a masterpiece of castles that was designated as national treasure for the first time as a castle. Nagoya city is currently proceeding with the restoration of wooden structures of the castle towers, which were burned down in 1945 due to the Second World War. The restoration of the Honmaru Palace has been completed already and open to the public.



Restoration of the castle keep

Edo Castle, Osaka Castle and Nagoya Castle are the three major castle towers in the Edo period. Of those, Edo Castle and Osaka Castle were destroyed in the early Edo period but Nagoya Castle had towered in the city of Nagoya for more than 300 years as Japan's largest castle tower until it was destroyed in 1945 due to the Second World War.

After the war, the castle tower was rebuilt with steel reinforced concrete thanks to a large amount of donations from citizens. However, as half a century has passed since the reconstruction, there have been concerns about aging facilities and securing earthquake resistance.

In order to overcome these issues and promote a better understanding of the intrinsic value of Nagoya Castle as a special historic site, Nagoya city is proceeding with the restoration of the castle tower made with wooden structure, based on a wealth of historical documents remaining today, such as "Kinjyo Onkoroku" "Showa Period Survey Map" and "glass film photographs," aiming to complete the construction by December 2022.



Large and small Castle towers (before the destruction by fire)

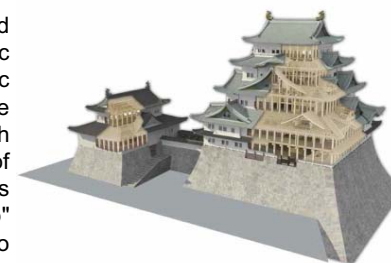


Image CG of restored wooden Castle Tower (© Takenaka Corporation)

Restoration of Honmaru Palace representing technological prowess and spirit of Japan's manufacturing practices

Nagoya Castle's Honmaru Palace was a masterpiece of Japanese early-modern castle palace and one of Japan's representative buildings along with Ninomaru Palace of Kyoto's Nijo-jo Castle, which was designated as National treasure. The Honmaru Palace was once designated as a national treasure along with the castle tower, but it was burned down in 1945 due to the Second World War.

Nagoya city has restored the Honmaru Palace as a historic and cultural symbol of Nagoya with an aim to hand down "the importance of skills and philosophy in manufacturing and the natural environment" to the succeeding generations. The project was started from January 2009 and divided into three phases. For the first phase, the entrance and front drawing room were opened to the public in May 2013. For the second phase, Reception hall and main kitchen were opened to public in June 2016. The restoration of entire Honmaru Palace was completed and opened to public on June 8, 2018.



Honmaru Palace entrance, carriage porch



Meeting room, Jodan-no-ma, Northwest

Arimatsu District with a distinct flavor of Tokaido in Edo Period

The townscape of Arimatsu in Midori ward was designated as a conservation area for historically important buildings in July 2016. The government designates townscapes with high historical value as cultural assets; 117 districts have been designated across the nation (as of November 28, 2017). Arimatsu District is the only townscape selected along the road in a major city and the second townscape along the Tokaido following Sekijuku (Kameyama city, Mie prefecture).

History of Arimatsu District

Arimatsu was built in 1608 by Owari Branch between Narumi-shuku and Chiryu-shuku on the Tokaido. Arimatsu Shibori (tie-dyeing) was invented to create souvenirs for travelers who came and went along the Tokaido. Since that time, the town of Arimatsu has developed along with Arimatsu Shibori.

Although most of the village was destroyed by a major fire which broke out in 1784, the district is said to have been reconstructed in about 20 years with the help from the Owari Branch. The Shibori merchants' main house with wide frontage, gates, and walls are located along the gently winding Tokaido, inheriting the relatively relaxed townscape. While Arimatsu is home to various buildings from different periods from late Edo to early Showa, the main house facing the Tokaido generally is a two-story wooden gable roof structure with Hirairi entrance and Sangawarabuki base tiles. Buildings convey the look of the time when Arimatsu was thriving with Arimatsu Shibori.



Major traditional buildings

- The Hattori House (cultural property designated by Aichi Prefecture)



The trade name is Igetaya and it is a building representing Arimatsu. It was established in 1790, over 200 years ago. The building has all the characteristics of Arimatsu architecture, including nurigome-zukuri, namakokabe, and lattices.

- The Takeda House (cultural property designated by Nagoya City)



The trade name is Sasaka and the building demonstrates Shibori merchants' buildings from late Edo to Meiji. The main wooden house, Shoin, and storehouse have a massive aspect. Tokugawa Iemochi, the 14th shogun of the Tokugawa, is said to have visited the tea ceremony room "Saishoan."

Dashi (float)/Arimatsu Shibori (tie-dyeing)



- Makiage Shibori



- Karamatsu Nui Sibori



In addition to the historical townscape, Arimatsu has inherited the traditional industry of Arimatsu Shibori and three Dashi floats that are city-designated cultural properties. Arimatsu Shibori dates back 400 years when people started dyeing cotton tied with string with plants such as indigo. There are about 100 Shibori techniques. Currently, Arimatsu Shibori is applied to various products, such as kimonos, accessories, and interior goods. The Arimatsu Tie-Dyeing Festival is held annually on the first Saturday and Sunday of June, bringing a lively atmosphere to the Tokaido.

The three Dashi preserved in Arimatsu were made in the periods from Edo to Meiji. On the first Sunday of October, the Arimatsu Floats Festival (Autumn Festival of Arimatsu Tenmansha Shrine) is held annually where Dashi adorned with mechanical dolls parade along the Tokaido with festival music.



Nagoya City Hall Main Building Designated as a National Important Cultural Property

Nagoya City Hall main building that was completed in 1933 was, on December 10, 2014, designated as a Nationally Designated Important Property (structure) concurrently with the Aichi Prefectural Government Office main building. Such designation of active government buildings had been unprecedented as well as of any government structures built in the early Showa Era.

Nagoya City Hall main building designated as a Nationally Important Cultural Heritage



Nagoya City Hall main building was constructed as a project commemorating the ascendance of Showa Emperor to the throne and has been used as a central facility of the city government for over 80 years since 1933. Uniquely designed with specialty tiles on its exterior walls and traditional interior furnishing, the building is highly recognized as an iconic early Showa-style government structure that incorporate Japanese tastes into Western architectural styles. In December 2014, it was designated as a Nationally Important Cultural Heritage concurrently with the neighboring Aichi Prefectural Government Office main building.

Highlights



■ Central Hall
Pillars and stair rails are made from high quality marble Kozakura from Yamaguchi Prefecture, excess marble used for the Diet Building. The Diet Building and the City Hall main building are believed to be the only government structures that use Kozakura marble.

The Central Hall is as high as approx. 20 meters with open ceiling. Over the ground floor are a beautiful combination of arch-shaped beams. A view from upper floors show stairs around the open ceiling space that look like an illusionist picture.



■ North Hallway
The hallway on the north side of the building is as long as approx. 100 meters. Such a long hallway is so rare and well-known that it is used for movie and TV drama filming.

*Tour of Nagoya City Hall main building

Nagoya City Hall main building is open to the public on weekdays when the city government office is open—except the office spaces, Ceremony Hall, Guest Room and City Assembly Chamber. Please note that, given it is an active office building visited by many citizens and business people, any actions that could disturb office duties and/or other visitors are prohibited. Other points of attention posted on the City's website at the URL below should be observed. Otherwise it would be our pleasure if you could enjoy visiting the main building when you are in our neighborhood (Maps of highlights of the building are distributed at the entrance).
City of Nagoya's official website, "About Nagoya City Hall main building": <http://www.city.nagoya.jp/somu/page/0000062076.html>

■ Exterior appearance



■ Ceremony Hall



■ Guest room



■ City Assembly Chamber



■ Central Hallway



■ Other characteristics

The main building is uniquely designed both in interior furnishing and exterior appearance that is intended to be in harmony with the view of Nagoya Castle

Characteristics of Nagoya Economic Zone

Nagoya ranked as one of the three major metropolitan areas in Japan

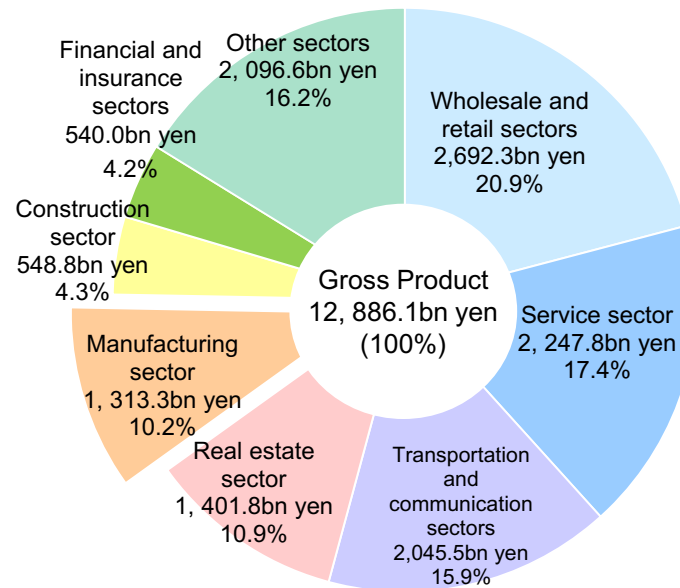
Category	Nationwide	Nagoya area		Tokyo area		Osaka area	
			% nationwide		% nationwide		% nationwide
Population (CY2015) (1,000 people)	127,095	11,331	8.9%	36,131	28.4%	18,349	14.4%
Area GDP (FY2015) (Billion yen)	530,334.9	52,606.0	9.9%	177,810.4	33.5%	71,446.8	13.5%
Private establishments (CY2016) (Establishments)	5,340,783	485,562	9.1%	1,338,895	25.1%	767,370	14.4%
Employees (CY2016) (1,000 people)	56,873	5,432	9.6%	17,160	30.2%	8,168	14.4%
Value of shipments of manufactured goods etc. (CY2015) (Billion yen)	313,128.6	62,320.2	19.9%	51,280.5	16.4%	39,298.8	12.6%
Wholesaler of yearly sales (CY2015) (Billion yen)	436,522.5	39,487.1	9.0%	210,574.6	48.2%	65,610.0	15.0%
Retailing of yearly industry (CY2015) (Billion yen)	145,103.8	13,072.6	9.0%	43,509.6	30.0%	20,275.3	14.0%
Annual income service industry (CY2014) (Billion yen)	211,397.6	14,912.0	7.1%	94,501.1	44.7%	24,435.5	11.6%
The export value (CY2017) (Billion yen)	78,286.5	16,175.9	20.7%	26,963.3	34.4%	16,156.1	20.6%
The import value (CY2017) (Billion yen)	75,379.2	8,169.5	10.8%	35,321.0	46.9%	14,275.9	18.9%

- The Nagoya metro area is notable for its high concentration of manufacturing. The region's shipment of manufactured goods is the highest among the three major metro areas.

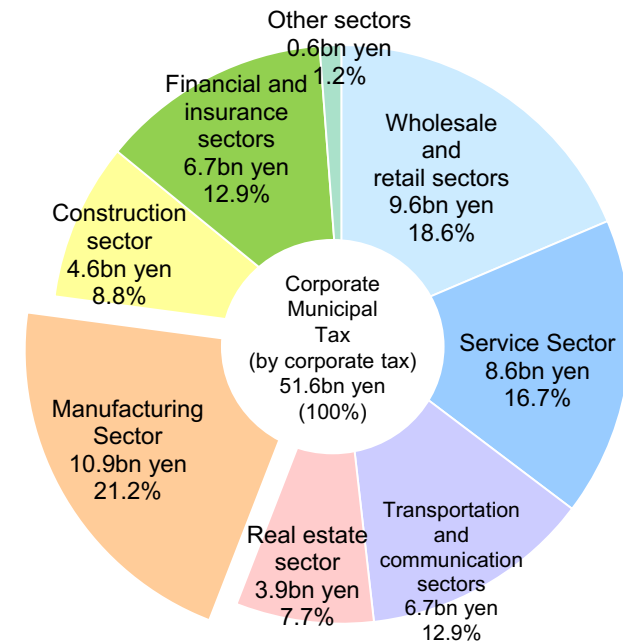
Economic Snapshot of Nagoya

- Nominal gross production in Nagoya is largely comprised of commercial sectors wholesale, retail and services. Manufacturing industries including automotive sector comprises 10.2%.
- Manufacturing industries comprise 21.2% of the corporate inhabitant taxes (assessed in the relevant year, by corporate tax), indicating a higher percentage than that of the city's gross production.
- Manufacturing industries are largely comprised of chemical engineering, industrial machinery and automotive component sectors. In FY2017, the automobile-related sectors' performance continued to be strong with ripple effects on other sectors.

Gross Product for Nagoya (FY2015)



Corporate Municipal Tax by Sector (FY2017)



Economic Size of Nagoya

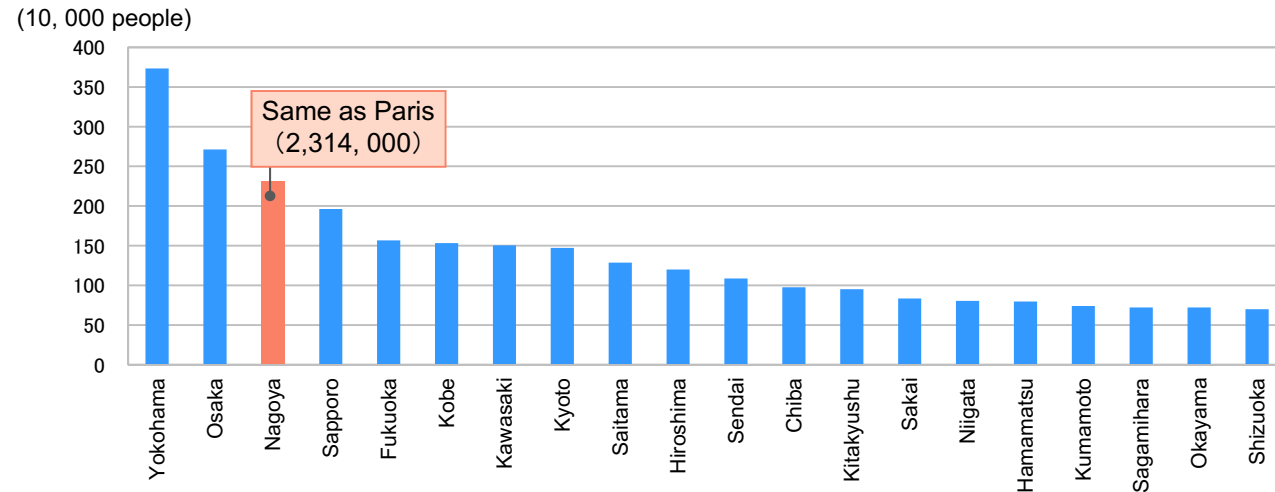
■ Population

- As of Oct 2017, the population of Nagoya was slightly over 2,314,000, up 0.4% year on year.
- The population has increased for 21 years in a row from 2,151,000 in October 1996, a total increase of approximately 163,000.
- Daytime population is slightly below 2.59 million (National Census for FY2015). The ratio of daytime to nighttime population is 112.8%, suggesting a significant population inflow from surrounding areas.

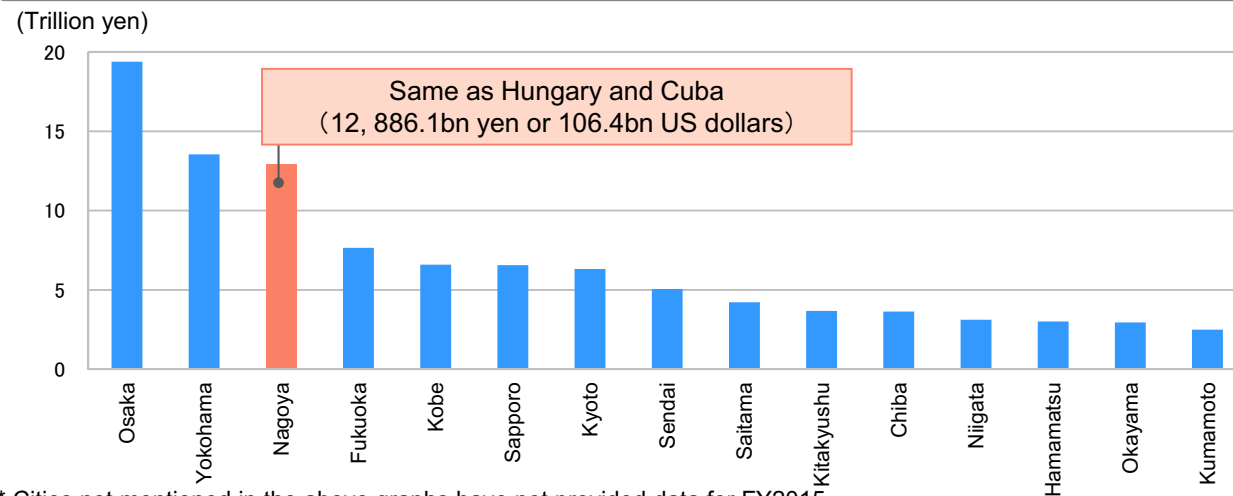
■ Gross product

- The gross product of Nagoya in FY2015 was the third largest among ordinance-designated cities after Osaka and Yokohama. The gross product of Nagoya accounts for approximately 2.4% of Japan's GDP.

Population of Major Cities (Oct 2017)



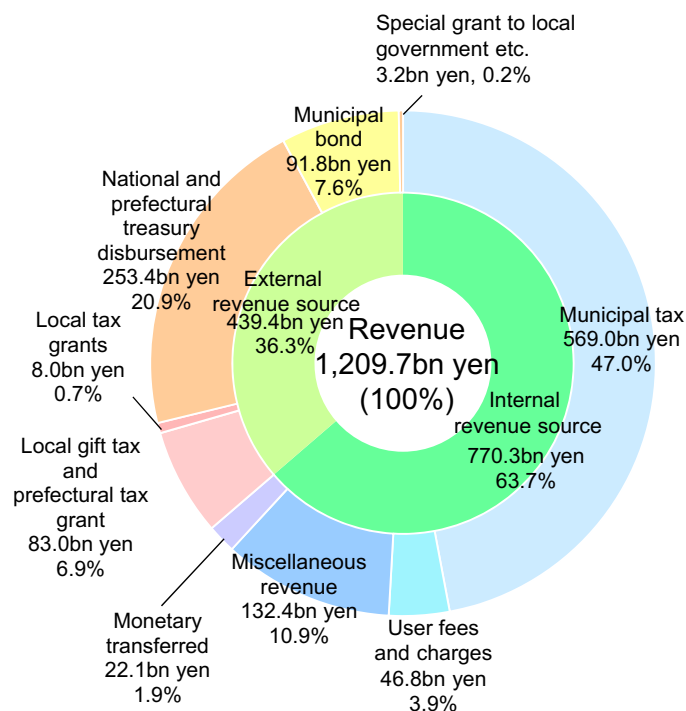
Gross Product of Major Cities (FY2015)



* Cities not mentioned in the above graphs have not provided data for FY2015

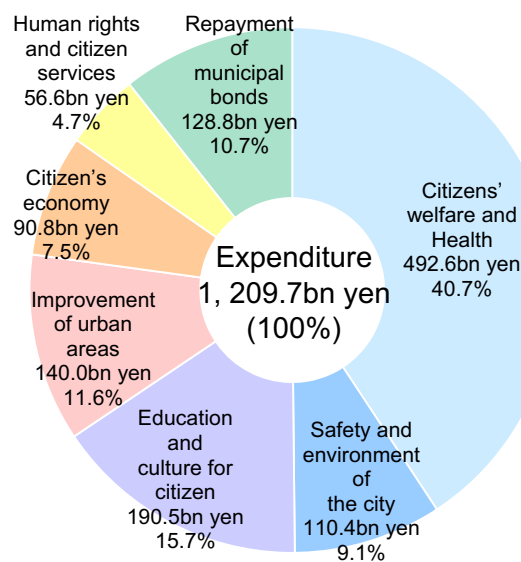
Overview of General Account for 2018

Budget Revenue

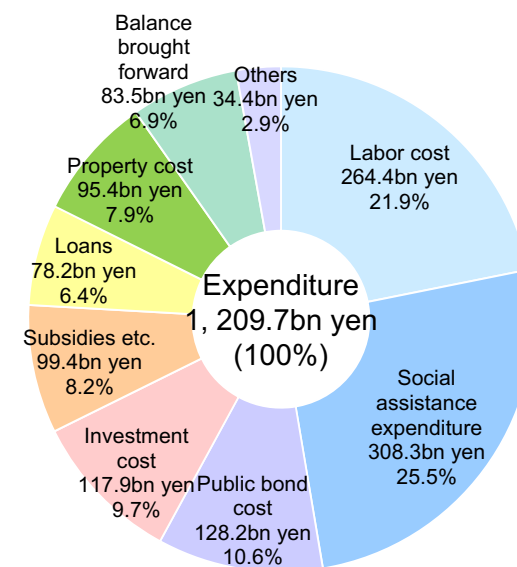


Budget Expenditure

By Usage



By Type



- The general account budget increased 38.5 billion yen or 103.3% from the previous year to 1,209.7 billion yen.
- The municipal tax revenue for fiscal 2018 increased from the previous fiscal year, due to the transfer of tax sources from the prefectural tax for individuals for salaries of teachers for compulsory education which were previously paid by the prefecture, along with an increase in personal income. Furthermore, the city tax and fixed asset tax increased by 57.9 billion yen year on year.
- The ratio of the City's independent revenue sources to its total revenue is 63.7%, which is the second highest among Japan's ordinance-designated cities.
- In terms of expenditure, mandatory expenses – personnel, social assistance and government debt expenses – were 58.0%.

General Account for FY2018: Key Priority Strategies

1. Creating towns chosen by young families while revitalizing communities

Comprehensive support for children and parents

Provide comprehensive support from the standpoint of children and parents and implement initiatives to support children to achieve their future goals

Nagoya Child Advocacy Committee

Strengthen the functions of the Nagoya Child Advocacy Committee to deal with issues associated with children, such as bullying and truancy

Measures to prevent bullying on the Internet

Introduce, on a trial basis, an application for anonymous reporting and consultation and enhance Internet patrols to realize early detection and early intervention of bullying other forms of harassment

Measures for children waiting for daycare places

Make ongoing efforts to develop private daycare and other facilities, with the aim of achieving zero children waiting for daycare places by April 2019
(FY2017 Feb. revised budget)



Support for securing childcare workers

Provide support for securing childcare workers, etc.

Nagoya Cuisine for elementary school meals

Convey the attractiveness of Nagoya's unique food culture by introducing regional cuisine "Nagoya Cuisine" to elementary school meals to enhance children's pride as citizens of Nagoya

Subsidies for specific infertility treatment

Reduce the financial burden of couple receiving treatment for infertility by increasing subsidies from Nagoya City

Development of home medical care system

Arrange standby doctors on holidays and at night to support primary care doctors

2. Preparing for major disasters through cooperative efforts by citizens, companies, and the government

Measures for earthquake disasters and wind /flood damage

Make steady progress in promotion of operations stated in the implementation plan for earthquake countermeasures and implementation plans for wind/flood damage countermeasures



3. Creating large and solid Nagoya to win international interurban competition

Enhancement of city functions

Enhance city functions of the areas surrounding Nagoya station and Sakae, with an eye to the opening of Linear Chuo Shinkansen Line



Promotion of industrial development

Strengthen industrial competitiveness and revitalize regional economies by fostering and supporting next-generation industries.

Enhancing and conveying Nagoya's attractiveness

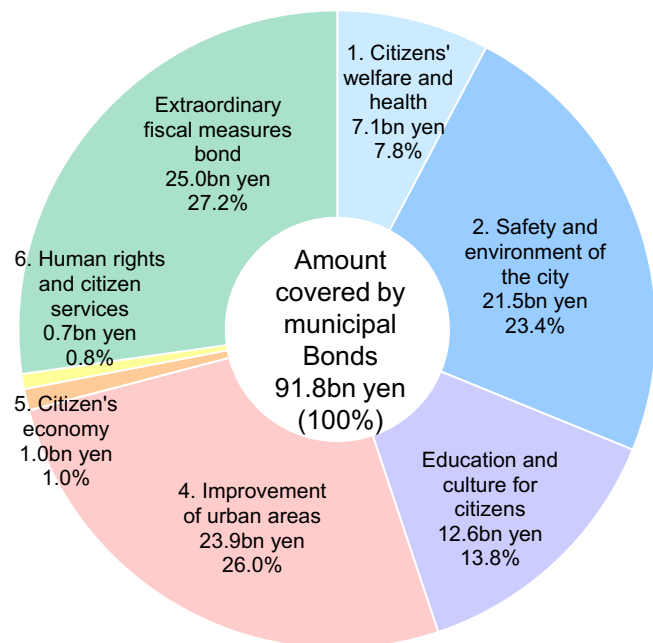
Facilitate domestic/international exchange including tourism by enhancing and conveying Nagoya's attractiveness



Promotion of sports events

Make preparation to hold and promote the 20th Asian Games to be held in Nagoya, Aichi in 2026 and construct a gymnasium at Mizuho Sport Park as the center of multiple events

General Account for FY2018: Operations covered by municipal bonds



1. Citizens' welfare and health

Upgrade of Nagoya City University Hospital medical equipment and Hospital Information Systems



2. Safety and environment of the city

Earthquake resistant measures for bridges, etc., maintenance of incineration plants, etc.



3. Education and culture for citizens

Maintenance and improvement of elementary and junior high school buildings and public halls



4. Improvement of urban areas

Construction of municipal houses, maintenance of bridges, etc.



5. Citizen's economy

Improvement of Nagoya Castle exhibition and storage facilities



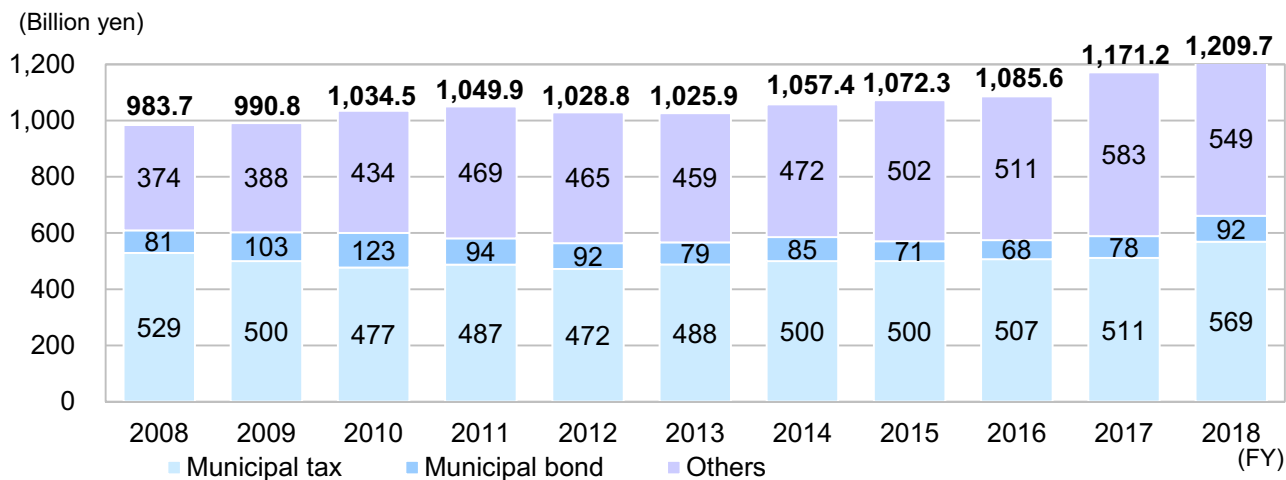
6. Human rights and citizen services

Equipment upgrade of city halls/ward offices, etc.

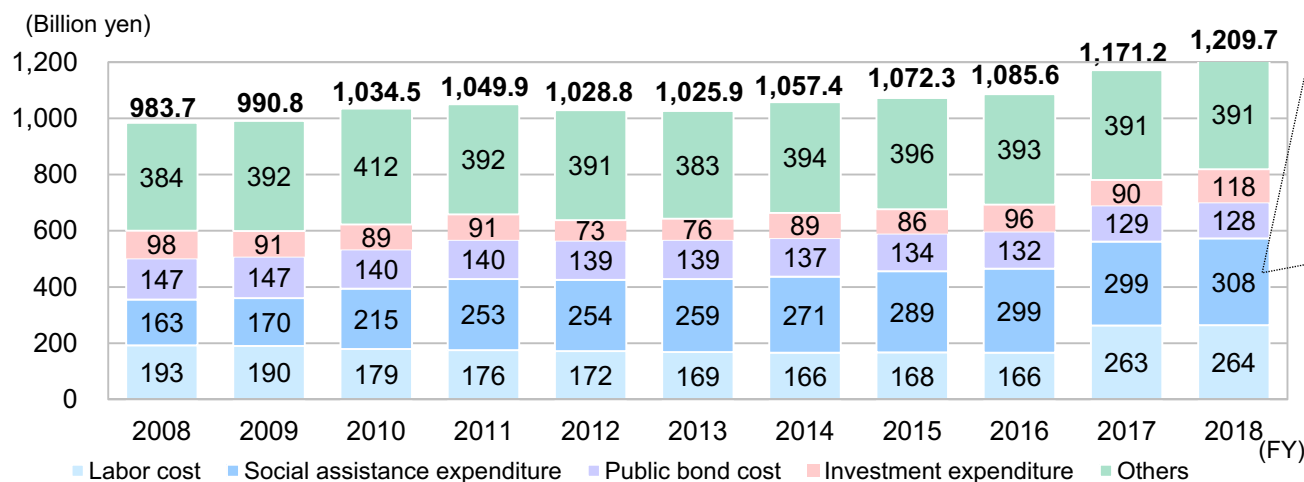


General Account

Budget revenue

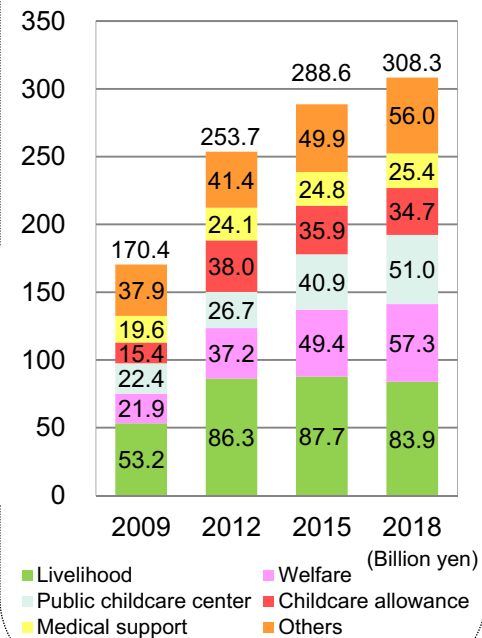


Budget expenditure

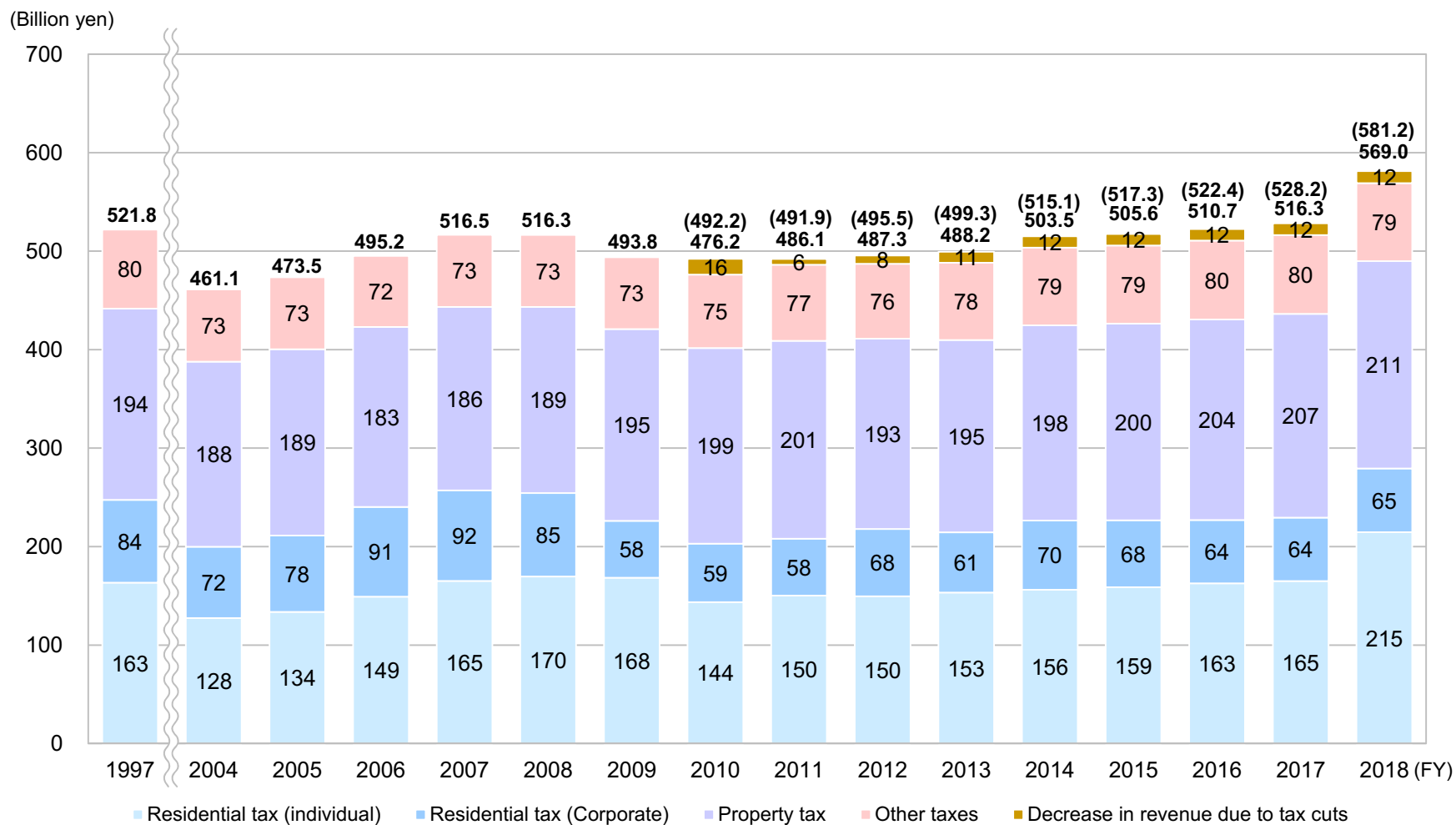


Under social assistance expenditure, the budget scale of family public assistance has been flat while the support for welfare and child-rearing families related projects have increased

Historical trend of social assistance expenditure



Municipal Tax Revenue



*The figure used for tax grants is the settled amount up to FY2017, and the initial budget for FY2018 (residential tax (individual) included 48.6bn yen which has been transferred following the reviews on salaries of teachers for compulsory education borne by prefectural expenses.

*Totals inside parenthesis include decreases in tax revenue due to tax cuts.

*The indicated values are rounded off to the indicated numbers and may not match the annual totals.

Residential Tax Cut (Individual)

Purpose of the Tax Cut and Tax Rate After the Tax Cut

FY2010

- Purpose of the Tax Cut To support the lives of the citizens and revitalize the local economy as well as its future potential with respect to current economic conditions
- Tax Rate After the Tax Cut
 - ① Residential Tax (individual)
 - (Per capita) Before tax cut 3,000yen→2,700yen
 - (By income)Before tax cut 6% →5.4%
 - ②Residential Tax (corporate)
 - (Per capita) Before tax cut 50,000 yen ~ 3 million yen
→45,000 yen ~ 2.7 million yen
 - (By corporate tax) Before tax cut 14.7%, 12.3%
→13.23%, 11.07%

From FY2012 to FY2018

- Purpose of the Tax Cut To support the lives of the citizens and revitalize the local economy as well as its future potential with respect to current economic conditions, while contributing to future regional economic development
 - Tax Rate After the Tax Cut
 - ① Residential Tax (individual)
 - (Per capita) Before tax cut 3,000yen→2,800yen
 - (By income)Before tax cut 6% →5.7%
 - From 2018 onwards
Before tax cut 8%→7.7%
- The tax rate is calculated by adding 5.7% of the tax rate after the previous tax cut and 2% from the transfer of tax revenue sources following the review of the system of paying salaries of teachers for compulsory education, which were previously paid by the prefecture
- ② Residential Tax (corporate)
 - (Per capita) Before tax cut 50,000 yen ~ 3 million yen
→47,500 yen ~ 2.85 million yen
 - (By corporate tax) Before tax cut 14.7%, 12.3%,
→13.965%, 11.685%
 - From Oct. 1, 2014
Before tax cut 12.1%, 9.7%
→11.495%, 9.215%

Changes in the impact of tax cut (Billion yen)

FY2010 Results

Category	FY2010 Results	
	Per capita basis	Per income/corporate tax
Tax cut	21.8	20.4
Residential tax (individual)	15.4	15.1
Residential tax (corporate)	6.4	5.3

*Total settlement amounts for FY 2010 and FY 2011 (Amount of the impact)

FY2012 – FY2017 Results

Category	FY2012 – FY2017 Results	
	Per capita basis	Per income/corporate tax
Tax cut	66.4	61.8
Residential tax (individual)	47.9	46.6
Residential tax (corporate)	18.5	15.2

*Total settlement amounts for FY 2012 and FY 2017

FY2018 Budget

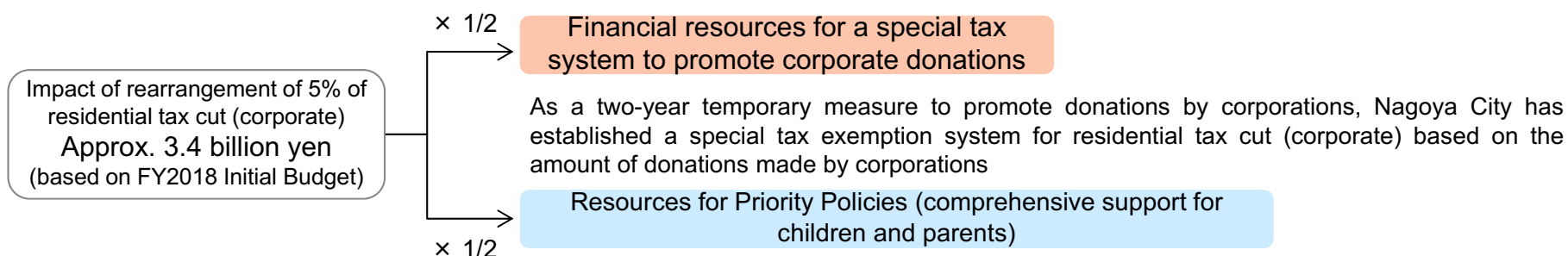
Category	FY2018 Budget	
	Per capita basis	Per income/corporate tax
Tax cut	12.1	11.3
Residential tax (individual)	8.7	8.5
Residential tax (corporate)	3.4	2.8

*Initial budget for FY2018

Residential Tax Cut (Corporate)

As summarized below, the City of Nagoya has restructured the 5% tax cut for residential tax cut (corporate) from the fiscal year ending on or after FY2019 April 1. This change aims to reflect changes in the socioeconomic conditions surrounding corporations after the implementation of the tax cut and to promote donations by corporations

An overview of restructuring of 5% residential tax cut (corporate)



An overview of a special tax system to promote corporate donations

- Corporations eligible for tax cut or exemption: A corporation that has disbursed a total of 5,000 yen or more as a donation
 - Eligible donations: Contributions to the City of Nagoya, Community Chest of Aichi Prefecture, Japanese Red Cross Aichi Chapter, or organizations designated by the City of Nagoya by ordinances
 - Reduction and exemption amount: The amount equivalent to 69% of the donation amount (However, the upper limit is set to 2.5% of residential tax cut (corporate).)
 - Applicable period: Fiscal year ending April 1, 2019 through March 31, 2021
- Ex: Corporations whose fiscal year-end is March, 31
- | | | |
|-----------------------------------|--------------|---|
| Fiscal year ending March 31, 2019 | → 5% tax cut | } Special tax system to promote corporate donations |
| Fiscal year ending March 31, 2020 | } | |
| Fiscal year ending March 31, 2021 | | |

Future Fiscal Management

Policy

- While giving consideration to fair burdens among generations, systematic fiscal management will be conducted so that no excessive burden is handed down to the future generations.

Setting of rules

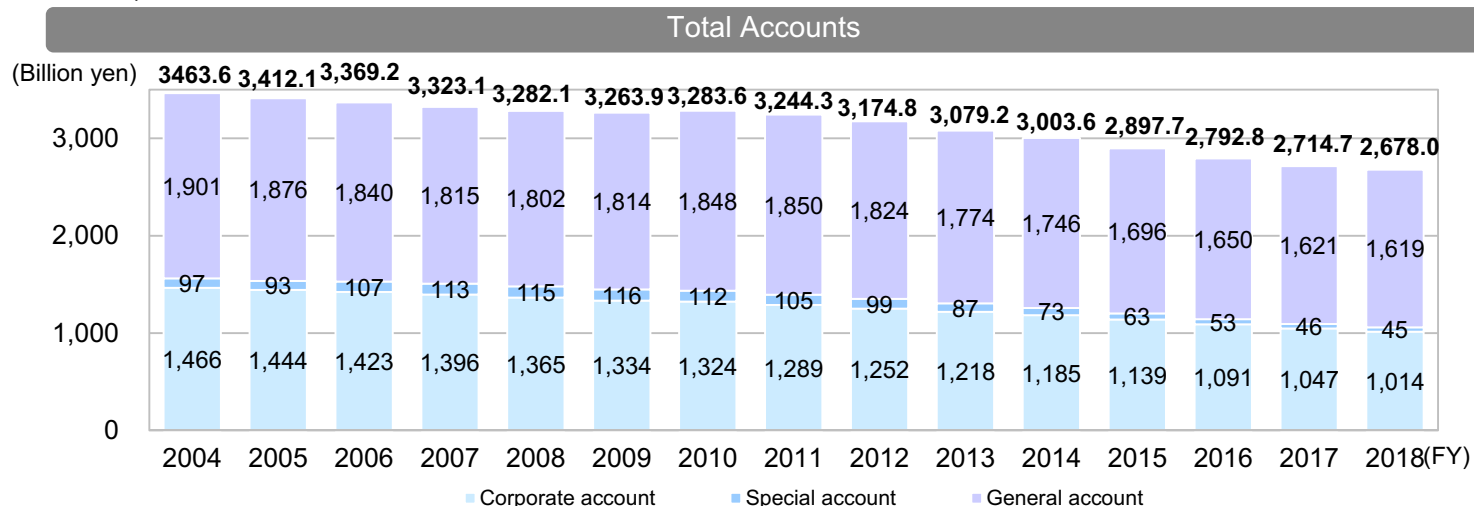
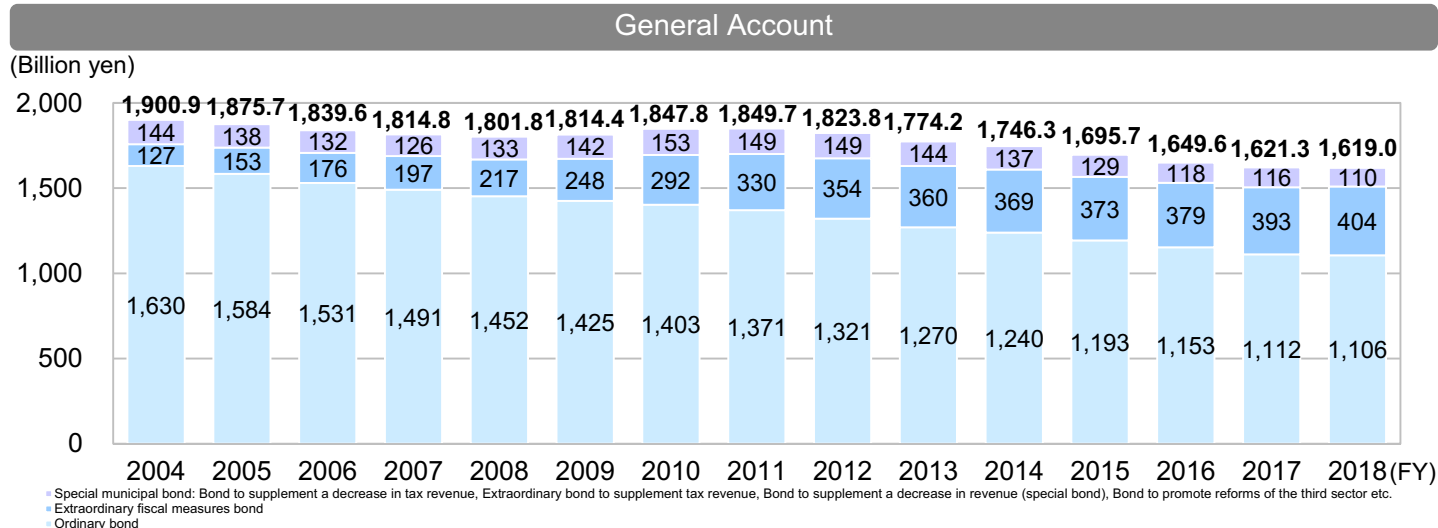
- Municipal bonds' roles include securing fairness of burdens among generations for construction of facilities etc. that provide benefits over time, leveling of fiscal expenditure, temporary fiscal supplement for shortage in tax revenue. On the other hand, given repayment for municipal bonds is a public bond cost and places a financial burden, certain rules were formulated regarding outstanding municipal bond amount.
- Furthermore, a targeted amount to be accumulated for the financial adjustment fund was set, from the perspective of securing fiscal elasticity between fiscal years. (Formulated in Sep. 2010)

Details of the rules

Details of the rules	FY2017 Results	FY2018 Budget
Current outstanding amount of general account municipal bonds shall not exceed the peak amount in the past (1,900.9bn yen/end of FY2004) - Refer to page 31	1,621.3bn yen	1,619.0bn yen
A surplus of each fiscal year's primary balance shall be maintained - Refer to page 32	A surplus of 66.1bn yen	A surplus of 36.4bn yen
Future burden ration shall not exceed 250% - Refer to page 33	(FY2016 results) (138.8%)	(FY2017 results) (125.0%)
Real public bond cost ratio shall not exceed 18% -Refer to page 33	(FY2016 results) (11.8%)	(FY2017 results) (10.5%)
Balance of the financial adjustment fund shall aim to achieve 10 billion yen	15.7bn yen	10.7bn yen

Outstanding Municipal Bonds

- Outstanding general account municipal bonds decreased in FY2005 for the first time since FY1959
- From FY2009 to FY2011, the outstanding bonds increased for three consecutive years (general account) due to an increase in issuance of special municipal bonds including extraordinary financial measures bonds. The balance decreased consecutively from FY2012 (general account)
- In the total account, too, the outstanding amount has continued to decrease since FY2011 and recorded below 3 trillion yen for the first time in 17 years, since 1998.



*Settlement amounts until FY2017 and estimated amount in FY2018

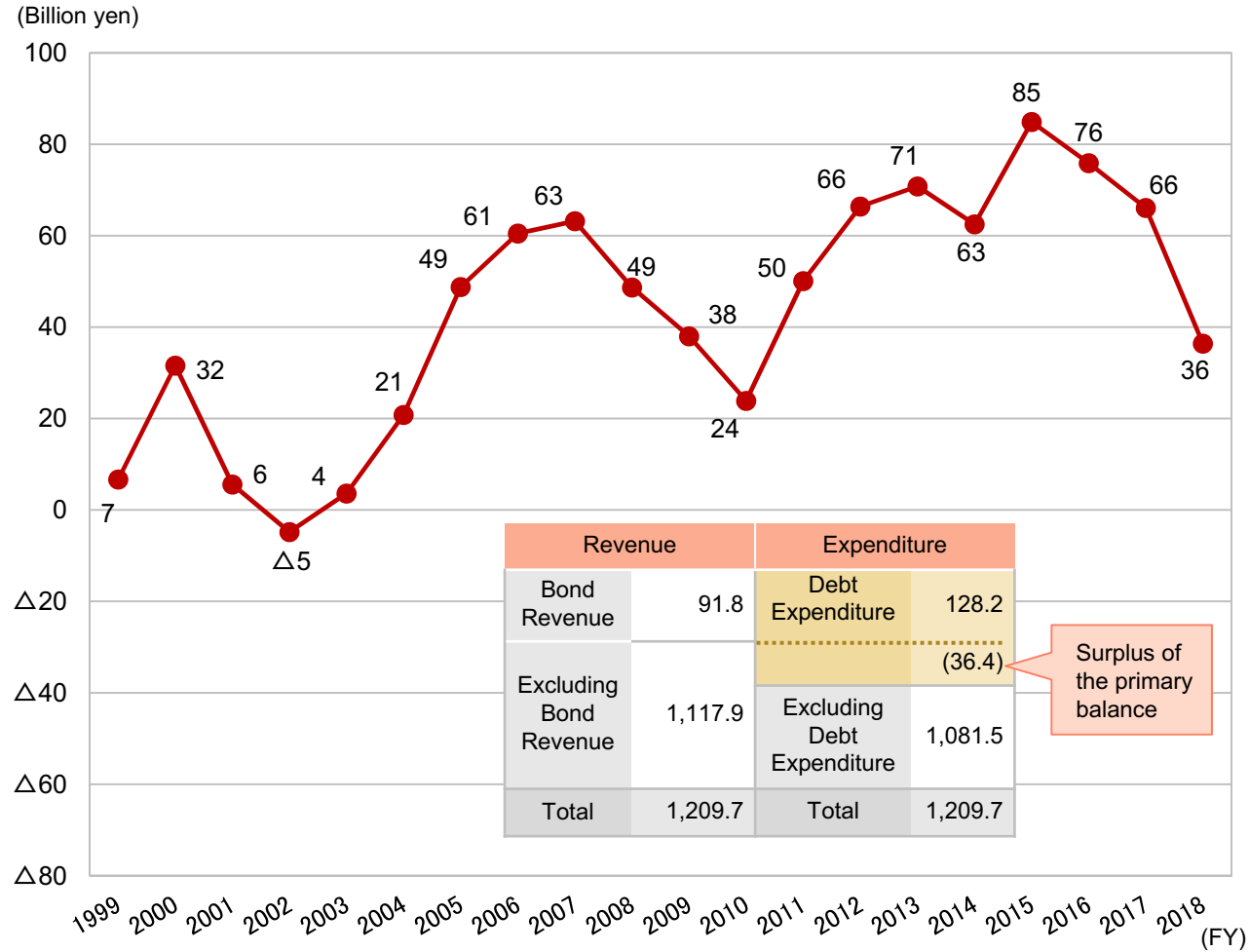
*Expenditure for the city university has been settled in general account since FY2006 based on its transformation into an independent administrative institution.

* For a comparison purpose, the balance includes the expenditure for the city university in and before FY2005 in general account expenditure.

*The indicated values are rounded off to the indicated numbers and may not match the annual totals.

Primary Balance of General Account

- The primary balance indicates the relationship between benefits and burdens among generations and is calculated by the formula (Revenue- Bond revenue) - (Expenditure-Debt Expenditure).
- The primary balance is adequate with balanced benefits and burdens among generations when expenditure (excluding debt expenditure) is covered by revenue (excluding bond revenue)
- A negative primary balance means the current generation receives more administrative services than their burdens and places a burden on future generations. Nagoya has maintained a positive primary balance since FY 2003



*Settlement amounts until FY2017 and estimated amount in FY2018

Ratio for Determining Financial Soundness/Financial Shortfall Ratio

- While the restoration evaluation Ratio for Determining Financial Soundness ratio in FY2017 clears all criteria, the city will conduct systematic fiscal management so that no excessive burden is handed down to the future generations while giving consideration to fairness in burdens among generations.
- No capital shortage ratio of municipal companies is recorded in and after FY2016 since the capital shortage in automobile transportation business which had continued until FY2015 was eliminated. In the high-speed railway business, although capital shortage emerged according to Local Finance Act, no capital shortage ratio is recorded because the amount of capital shortage that can be eliminated exceeds the shortage.

Ratio for Determining Financial Soundness						
Category	Overview	Nagoya City's Ratio			Early rehabilitation standard	Fiscal Reconstructi on standard
		FY2015	FY2016	FY2017		
Actual deficit ratio	Ratio of actual deficit of general account to standard fiscal scale	-	-	-	11.25%	20%
Consolidated actual deficit ratio	Ratio of actual deficit of all accounts to standard fiscal scale	-	-	-	16.25%	30%
Actual debt expenditure ratio	Ratio of redemption money for principal and interest and expenditure equivalent to such money paid from general account to standard fiscal scale	12.7%	11.8%	10.5%	25%	35%
Future burden ratio	Ratio of actual debt to be borne by general account (e.g. Outstanding municipal bonds, planned expenditure based on debt burden) to standard fiscal scale	147.4%	138.8%	125.0%	400%	

Financial Shortfall Ratio					
Category	Overview	Nagoya City's Ratio			Standard for management rehabilitation
		FY2015	FY2016	FY2017	
City bus operation account	Ratio of fund shortage to business scale of public enterprise	6.1%	-	-	20%

*FY2012, 20.8%, FY2013, 14.9%, FY2014, 11.0%

Comparison of Fiscal Condition with Other Cities

- The city of Nagoya's internal revenue ratio is 60.4% in FY2017, **the highest among ordinance-designated cities**
- Municipal tax collection rate is also **the highest among the ordinance-designated cities**

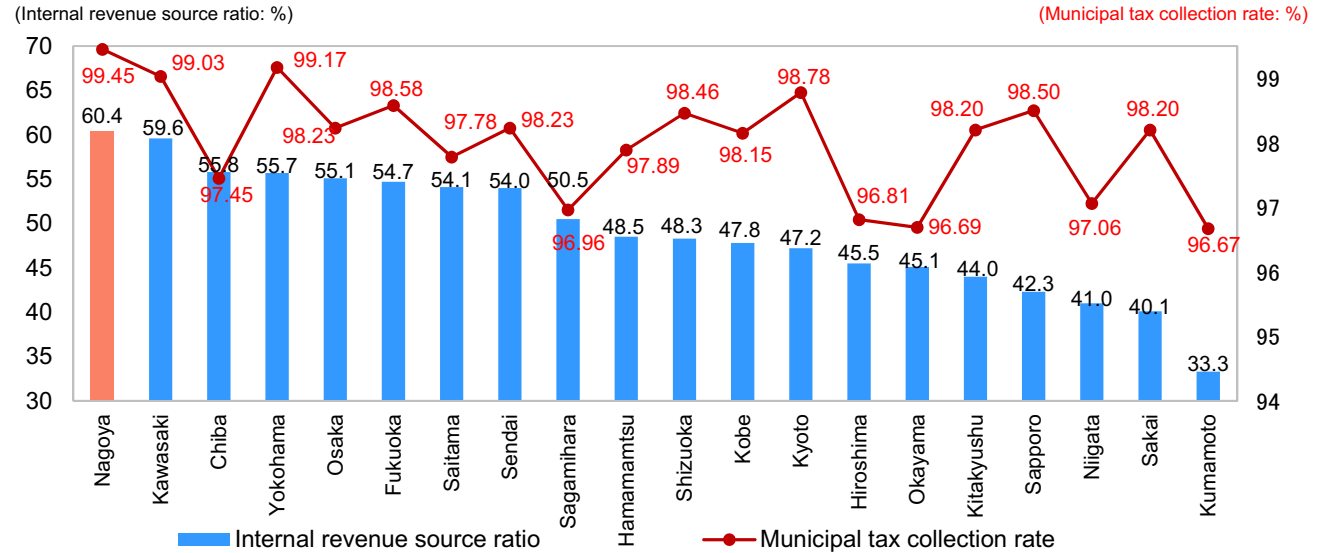
• The ratio of independent revenue sources is...
The ratio of revenue sources that a municipality is able to raise independently (such as city tax, fees and charges) to the total revenue. Generally speaking, the higher the ratio of independent revenue sources, the more stable the fiscal structure is and the more solid the fiscal base is.

• Collection rate is ...
An indicator of actual tax collection indicating the ratio of actual tax revenue to municipal tax receivable.

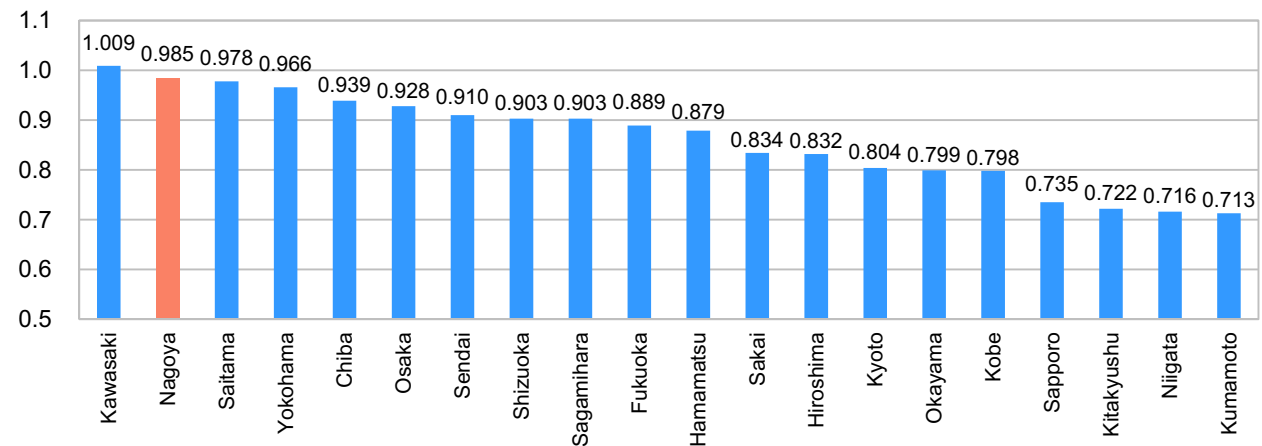
- The city's financial capability index(3-year average) is **the second highest among the ordinance-designated cities**

• Financial capability index is...
The value obtained by dividing the standard revenue by the standard expenditure that is used to calculate the ordinary tax revenue allocated to a municipality. A value exceeding 1 in a single year would indicate the municipality's financial capacity to conduct standard fiscal management without depending on any ordinary tax allocated to the municipality. The indicated value represents the average of three years.

Comparison of FY2017 internal revenue ratios and municipal tax collection rates of various cities



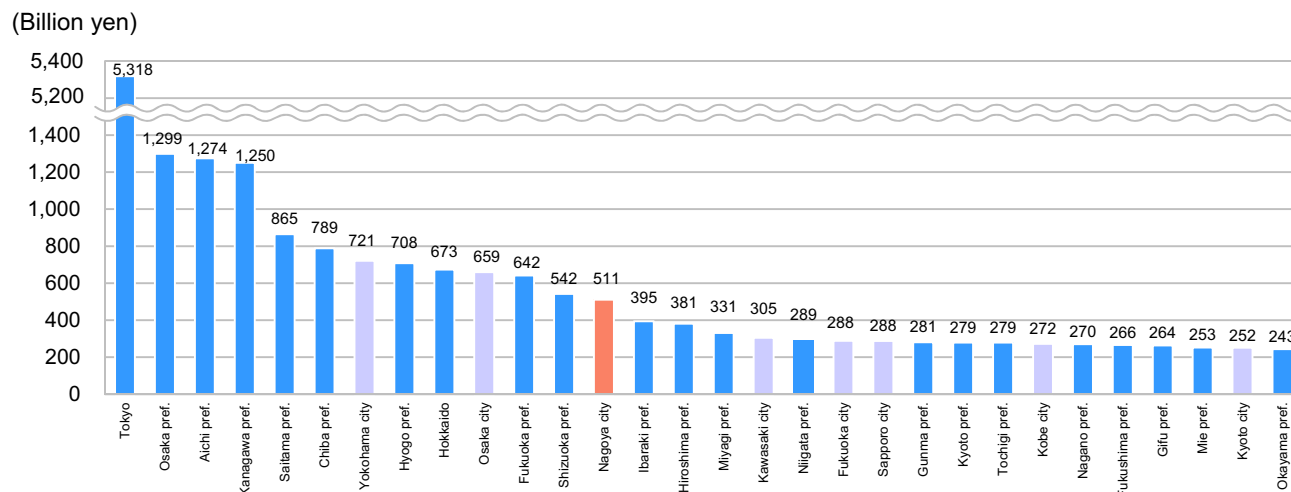
Comparison of FY2018 financial capability indices (3-year average) among various cities



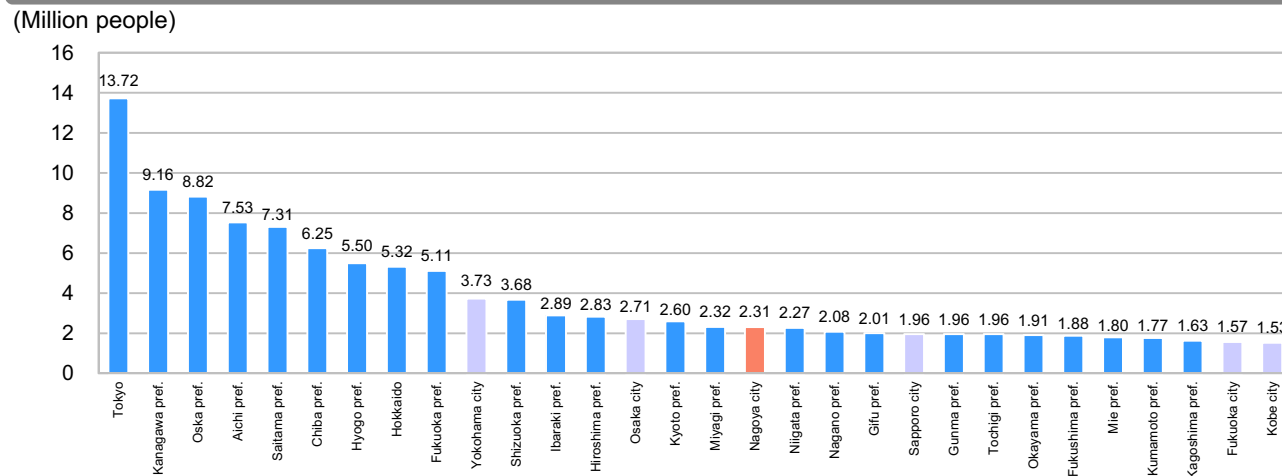
Nagoya's Position Among Municipal Bond Issuers

- There are 55 issuing organizations of public subscription municipal bonds (nationwide) in Japan. Of those, 35 are prefectures and 20 are ordinance-designated cities in FY2018
- Among those, Nagoya ranks 13th in municipal tax revenue and 17th in population. Among ordinance designated cities, Nagoya ranks third after Yokohama and Osaka City. Only 10 prefectures exceed Nagoya in terms of municipal tax revenue, and only 14 prefectures exceed Nagoya in terms of population.
- In terms of municipal tax revenue, 8 organizations in the top 30 are ordinance-designated cities while 6 organizations are ordinance designated cities in terms of census population. Nagoya's financial capability and population compare favorably with those of prefectural governments

Comparison of Municipal Tax Revenue of Issuing Organizations in FY 2016



Comparison of Census Population of Issuing Organizations in FY 2017 (October 1)



【Appendix】



This *fusuma* painting is on display at Nagoya Castle Honmaru Palace

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Outlook for Future Fiscal Balance of General Account

(Billion yen)

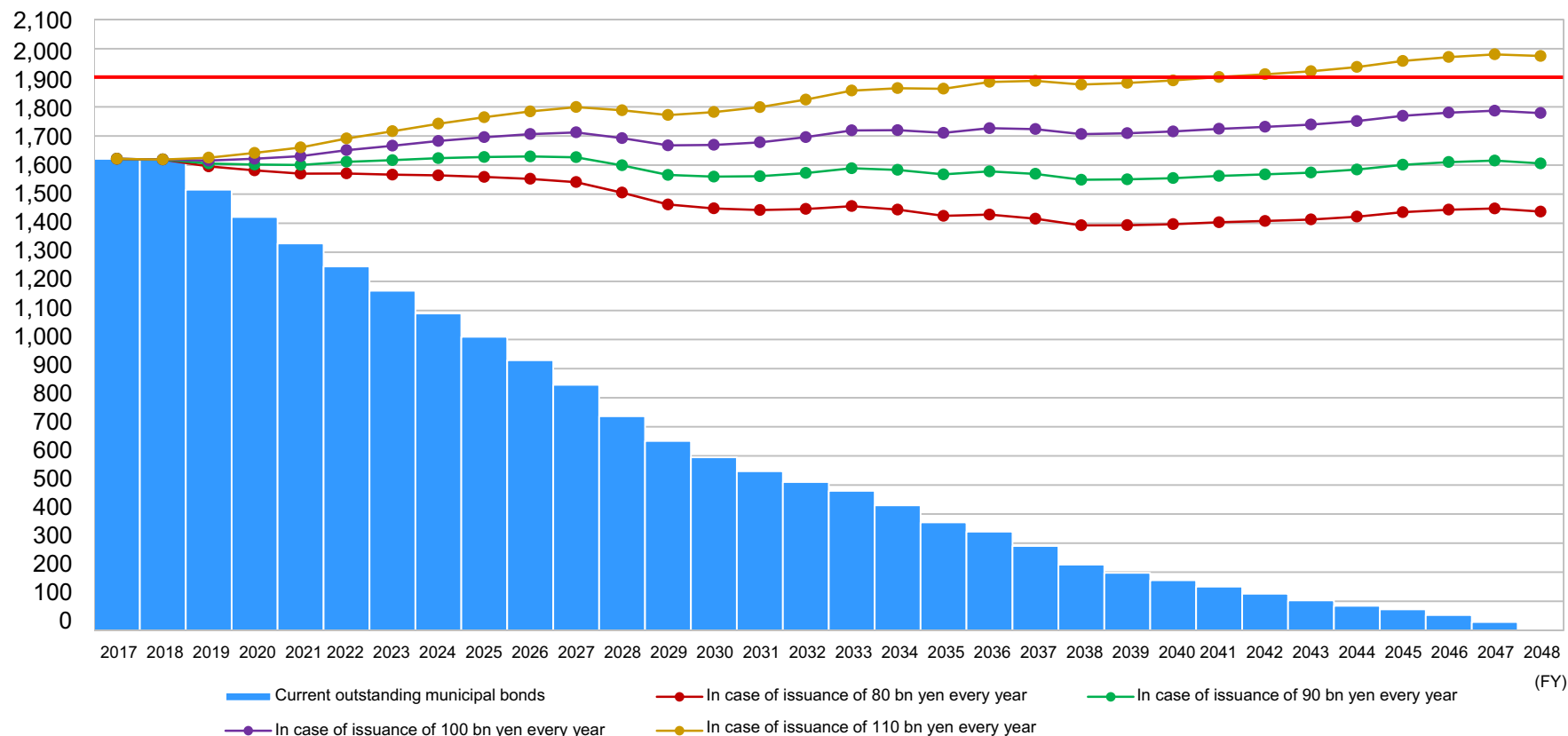
- The City of Nagoya formulates its budget through allocation of financial resources based on revenue and expenditure forecast.
- Revenue and expenditure forecast for the period from FY2019 to FY2023 formulated for the FY2019 budget indicates that while municipal tax revenue is expected to remain flat in and after FY2020 despite an increase in revenue in FY2019 due to the full-year impact of the transfer of tax revenue sources following the FY2018 changes in the prefecture-financed teachers system, an increase in social assistance expenditure, investment expenditure, etc. is expected to result in a fiscal shortage in each fiscal year.
- The fiscal shortage will be eliminated through continuous revision of administrative operations and securing of revenue by selling unutilized land properties, etc.
- Outstanding balance of municipal bonds in general account is expected to gradually decrease as each year's bond issue amount does not significantly exceed the redemption amount.

Classification		FY2018 Budget	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	Municipal tax	569.0	593.6	590.1	581.3	587.5	592.5
	Before tax decrease	581.1	605.1	600.4	590.7	596.1	601.2
	Tax decreased	-12.1	-11.5	-10.3	-9.4	-8.6	-8.7
	Municipal bond	91.8	97.7	89.2	83.3	84.6	85.5
	Extraordinary financial measures bond	(25.0)	(21.6)	(21.6)	(21.6)	(21.6)	(21.6)
	Other	548.9	530.9	547.9	557.1	563.2	568.7
	Local tax grants	(8.0)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Total		1,209.7	1,222.2	1,227.2	1,221.7	1,235.3	1,246.7
Expenditure	Labor cost	264.4	267.4	269.7	270.3	270.1	269.0
	Social assistance expenditure	308.3	317.2	321.2	327.9	335.2	343.2
	Public bond cost	128.2	128.7	126.6	125.2	128.1	124.7
	Investment expenditure	117.9	121.1	122.5	115.5	119.0	124.0
	Other	390.9	395.2	397.6	394.6	398.3	404.2
	Total		1,209.7	1,229.6	1,237.6	1,233.5	1,250.7
Difference between revenue and expenditure		-	-7.4	-10.4	-11.8	-15.4	-18.4
(Reference) Expected municipal bond balance in general account		1,630.1	1,621.7	1,616.9	1,606.4	1,606.4	1,606.5

* Tax decrease in FY2019, 2020 and 2021 includes the amount exempted under a special tax system to promote corporate donations.

Simulation of Changes in Outstanding Municipal Bonds (General Account)

(Billion yen)



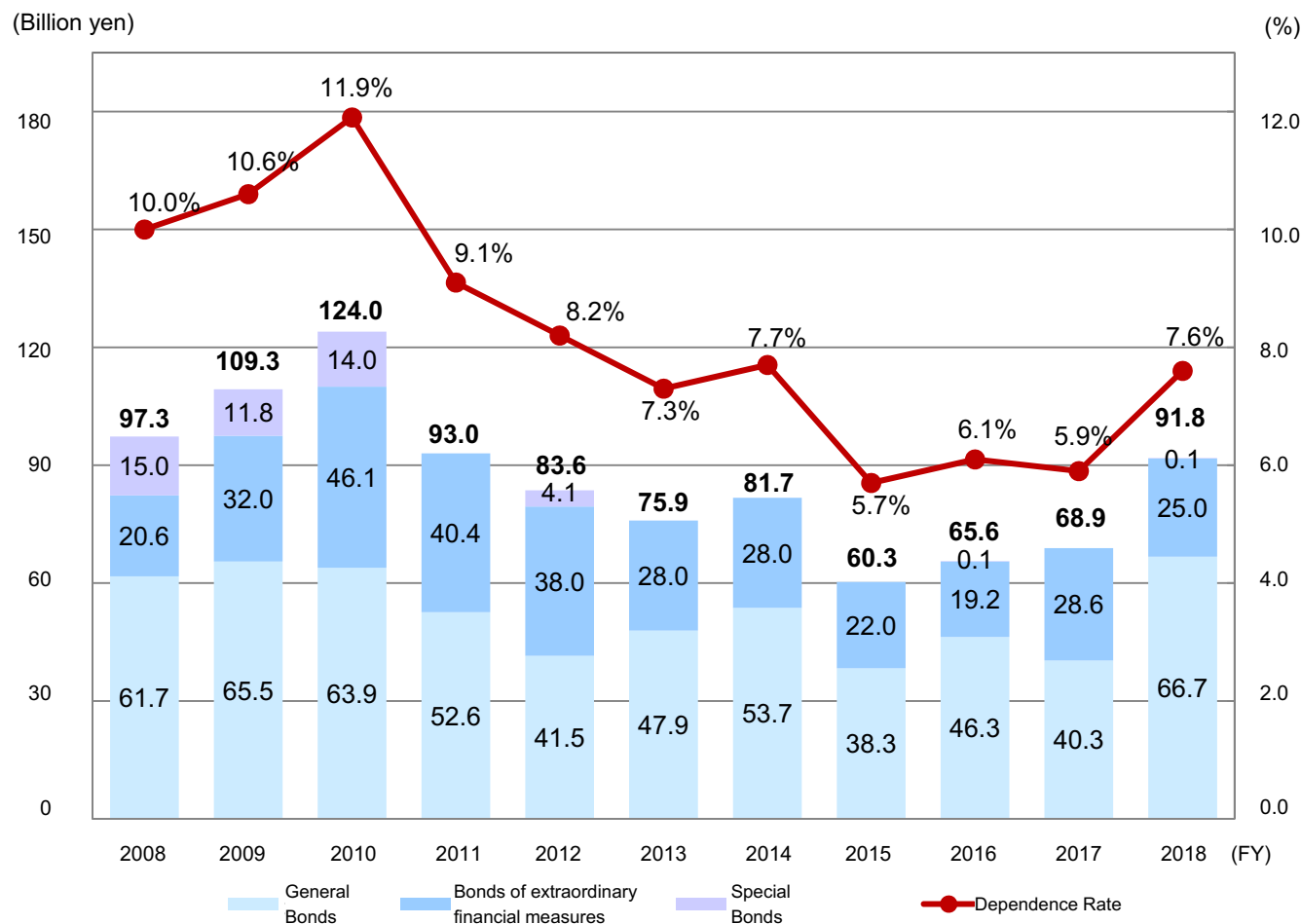
*General account figures

- The bar graph indicates simulated changes in the current balance of outstanding municipal bonds based on the estimated FY2018 balance assuming no municipal bonds to be issued in and after FY2019.
- The line graph indicates simulated changes in the current balance of outstanding municipal bonds taking the issue amount in and after FY2019 into account.

Municipal Bond Issuance of General Account and Dependence on Public Bonds

■ From FY2009 to 2010, against the backdrop of economic slowdown, the municipal bond issue amount and the dependence on public bonds increased due to the issuance of special municipal bonds, such as extraordinary financial measures bond, bond for covering the decrease in local tax revenues, and bond for promoting reform of the third sector as substitute for local grant tax. The upward trend reversed since then, resulting in 5.7% dependence in FY2015 reflecting the completion of the construction work seen in past years and a decrease in the issue amount of extraordinary financial measures bond. The rate increased to 6.1% in FY2016 when the municipal bond issue amount grew to cover an increase in operation costs for large-scale renovation including school buildings. In FY2017, the issue amount of extraordinary financial measures bond grew but revenue increased as a result of the empowerment for the prefecture-financed teacher system, pushing down the dependence to 5.9%.

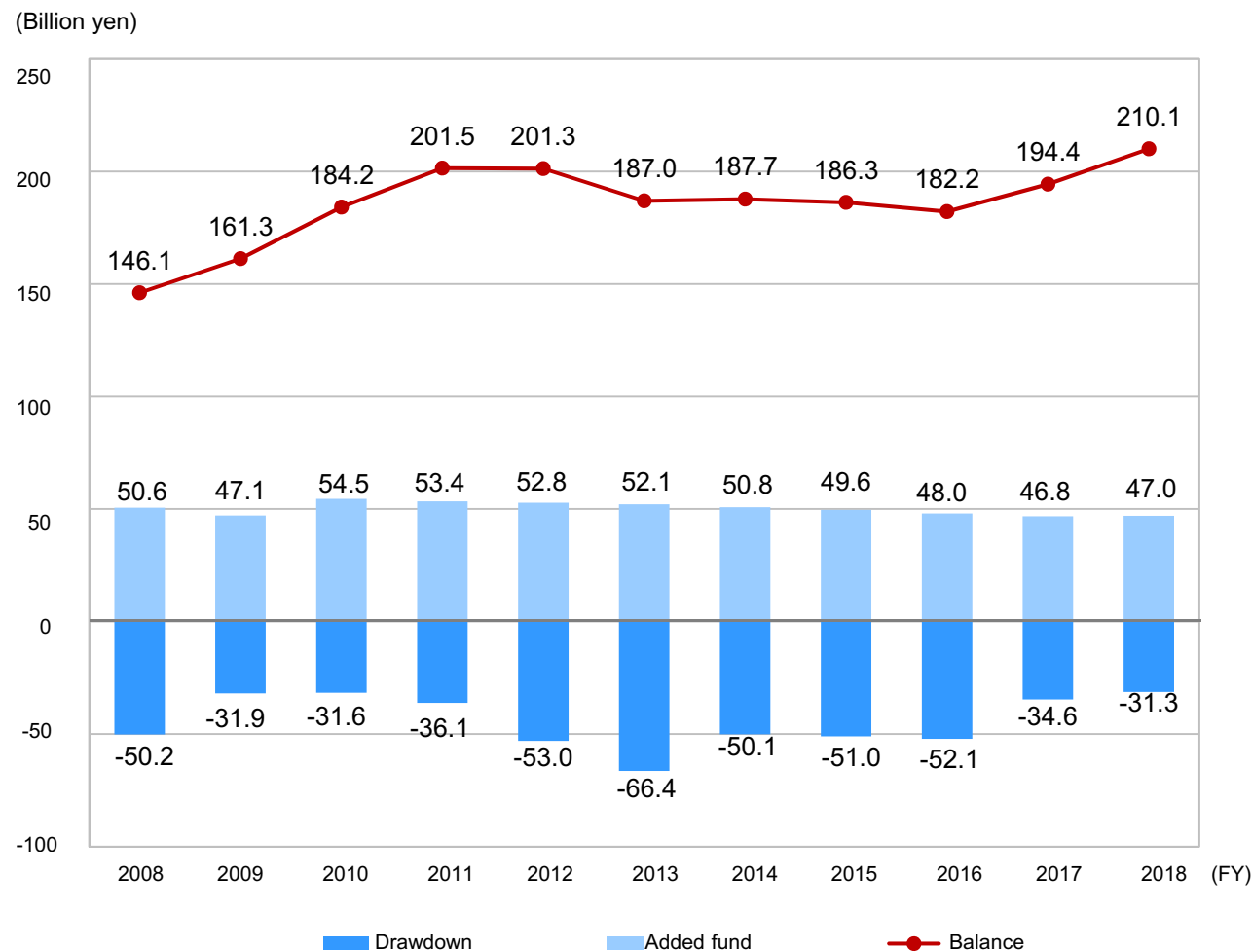
■ The dependence is expected to rise to 7.6% in FY2018 as the municipal bond issue amount will increase to cover construction / maintenance of waste incineration plants.



* Special Bonds: Bonds for cutting tax (including special exception), temporary tax revenue and third sector business
 * Settlement amounts until FY2017 and estimated amount in FY2018

Public Bonds Redemption Fund (Bullet Bonds)

- In order to ensure future redemption, the municipality in principle annually accumulates an amount equaling 6% of the total debt amount in its public bond redemption fund with no shortage in accumulated amount and no issue with redemption.
- From FY2008 to FY2011, the drawdown amount exceeded the added amount, whereas from FY2012 to FY2016 the trend was opposite due mainly to a decrease in issuance of municipal bonds, resulting in tendency to reduce the outstanding amount of the fund.
- The outstanding amount of the fund has been on the rise since FY2017. This is due to a decrease in due municipal bonds with nearing maturities as a result of the start of issuance of 20-year bonds in FY2003 (CY2004) and that of 30-year bonds in FY2005 to diversify terms to maturity from 10 years.



*General account figures

*Settlement amounts until FY2017 and estimated amount in FY2018

Settlement of Special Account for FY 2017

(Million yen)

- Nagoya City has 12 special accounts and 6 public enterprise accounts, in addition to the general account.
- A special account is established in accordance with city ordinance when it is necessary to separate accounting of revenue and expenditure from the general account, such as a special operation funded by special revenue.

Account	Revenue	Expenditure	Difference	Description of operation
National health insurance	240,260	237,008	3,252	Management of national health insurance operation
Medical care for people aged 75 and over	53,222	52,017	1,205	Provision of medical care for people aged 75 and over
Nursing care insurance	183,921	179,986	3,936	Management of nursing care insurance operation
Loans to single mothers and widows	1,191	1,045	146	Lending to single mothers and widows
Market and slaughterhouse	7,284	7,284	-	Management of Main market, Hokubu market, Nambu market and slaughterhouses
Nagoya Castle Tower	1,248	1,248	-	Implementation of Nagoya Castle Tower operation
Loans to land readjustment associations	450	450	-	Lending to private land readjustment associations
Urban area redevelopment	703	698	5	Implementation of urban area redevelopment operation
Graveyard and park development	1,342	1,342	-	Implementation of graveyard and park development operation
Fund	90,556	90,556	-	Management of 16 funds including education fund
Pre-acquisition of land	11,051	11,049	1	Implementation of pre-acquisition of land for public facilities
Public bond	455,931	455,903	28	Consolidated management of borrowing and redemption of public bonds
Total	1,047,158	1,038,585	8,574	

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Settlement of Public Enterprise Account for FY 2017

(Million yen)

- The public enterprise account is a special account to which the Local Public Enterprise Act is applied.

Account	Revenue	Expenditure	Difference	Description of operation
Hospital	31,811	32,619	-808	Management of city hospitals and improvement of related facilities
Water service	46,661	45,833	828	Management of water service operation and improvement of related facilities
Industrial water	951	859	92	Management of industrial water operation and improvement of related facilities
Sewerage	72,556	68,980	3,576	Management of sewerage operation and improvement of related facilities
Bus	24,873	22,930	1,943	Management of city bus operation and improvement of related facilities
Subway	94,963	77,705	17,257	Management of subway operation and improvement of related facilities
Total	271,814	248,926	22,888	

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Management Status of Public Enterprises in FY 2017

(Million yen)

Category		Hospital	Water service	Industrial water	Sewerage	Bus	Subway	
Balance sheet	Assets	Total assets	59,004	397,573	18,865	1,055,525	17,431	698,324
		Fixed assets	49,050	349,312	16,475	1,017,723	12,094	688,534
		Current assets	9,954	48,261	2,390	37,802	5,337	9,790
	Liabilities	Total liabilities	51,157	149,048	11,423	598,854	21,153	632,508
		Noncurrent liabilities	39,715	107,916	6,610	427,345	14,092	456,429
		Current liabilities	9,258	22,409	309	41,967	6,494	65,846
		Deferred income	2,184	18,723	4,504	129,542	567	110,233
	Equity	Total equity	7,847	248,525	7,442	456,671	-3,722	65,817
		Capital	15,631	245,618	7,123	443,570	31,990	291,788
		Surplus	-7,785	2,908	320	13,100	-35,712	-225,971
Total liabilities and equity		59,004	397,573	18,865	1,055,525	17,431	698,324	
Profit and loss statement	Revenue		31,811	46,661	951	72,556	24,873	94,963
	Expenses		32,619	45,833	859	68,980	22,930	77,705
	Net income		-808	828	92	3,576	1,943	17,257
	Reversal of reserve for construction and improvement		-	810	54	1,807	-	-
	Retained earnings carried over from previous year		-8,785	-	100	-	-38,007	-248,223
	Unappropriated retained earnings		-9,593	1,639	246	5,382	-36,064	-230,966

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Municipal Transport Business Management Restoration Plan (2015-2018)

This plan aims to provide safe and high-quality transportation services for citizens and users by putting an emphasize on “SAFETY” in addition to having a feeling of “CHALLENGE” as a transportation service provider.

Plan Period

4 years from 2015 to 2018.

Planned Goal



Muni Bus

• Aim for 340,000 passengers per day in FY 2018.

• Dissolve fund shortage.

• Secure current account surplus.

• Invest JPY 5bn during this plan.



Subway

• Aim for 1.27 million passengers per day in FY 2018.

• Cut substantial fund shortage by JPY 26.3bn, or ~10% vs. FY 2014 (when substantial fund shortage was JPY248.3bn).

• Secure substantial current account surplus.

• Invest JPY 54.2bn during this plan

Revenue / Expenditure Plan

Muni Bus Operation

(Billion Yen)

Category	During the plan				After the plan					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Passenger per day (1,000 people)	332	335	337	340	341	341	342	342	343	343
Current account	0.8	1.2	1.0	0.8	0.5	0.4	0.5	0.5	0.5	0.6
Financial surplus or deficit	-1.8	-1.4	-0.6	0.1	0.6	1.4	2.2	2.9	3.5	4.4
Fund shortage ratio (%)	9.2	6.8	3.1	-	-	-	-	-	-	-

Subway Operation

(Billion Yen)

Category	During the plan				After the plan					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Passenger per day (1,000 people)	1,247	1,255	1,262	1,267	1,269	1,270	1,271	1,272	1,273	1,274
Substantial current account *1	3.5	3.8	4.5	5.2	5.8	6.5	7.9	8.0	8.3	8.8
Substantial fund shortage *2	-244.3	-239.7	-231.8	-222.0	-210.5	-195.8	-181.0	-165.8	-149.2	-136.5

*1 Substantial current account: Account which subtracts the amount of subsidy of special bond's redemption from current account.

*2 Substantial fund shortage: Account which adds the balance of bonds of easing burden of capital charge and leveling capital charge to fund shortage.

Management Status of Extra-governmental Organizations

(Million yen)

Category	Capital	Municipal investment	Financial Situation					Loan by Nagoya	Loss compensation and loan guarantee
			Total assets	Total debts	Net assets	Ordinary profit/loss *1	Net profit/loss *2		
Nagoya City Land Development Corporation	20	20	24,571	22,978	1,593	2	2	6,905	14,050
Nagoya Meat Market Co., Ltd.	480	236	3,435	4,671	-1,236	176	120	800	2,767
(Public utility foundation) Nagoya City Smaller Business Mutual	120	120	28,018	27,860	158	2	2		
International Design Center NAGOYA, IdcN	12,147	4,005	7,167	518	6,650	1	8		
(Public utility foundation) Nagoya Meat Corporation	105	90	297	142	156	39	39		
(Public utility foundation) Nagoya Industries Promotion	215	120	2,584	1,556	1,028	23	14	951	128
(Public utility foundation) Nagoya International Center	345	321	1,577	205	1,372	15	15		
(Public utility foundation) Nagoya Citizens Recreation Village	10	10	155	141	14	1	-		
(Public utility foundation) Nagoya Philharmonic Orchestra	10	10	680	249	431	34	33		
(Public utility foundation) Nagoya City Cultural Promotion Agency	60	30	1,879	645	1,234	76	75		
(Public utility foundation) Nagoya Convention & Visitors Bureau	1,055	500	1,495	68	1,427	-1	-1		
(Social welfare corporation) Nagoya City Rehabilitation Agency	30	30	1,622	1,390	232	51	52		
(Public utility foundation) Nagoya Urban Development Public Corporation	1,010	1,010	17,015	6,345	10,670	762	894	1,888	1,805
Nagoya City Housing Supply Corporation	50	50	25,683	22,667	3,016	170	173	15,561	607
Nagoya Expressway Public Corporation	317,963	158,982	1,689,433	1,371,590	317,843	-	-	54,228	293,933
Wakamiya Park	1,063	602	3,060	2,180	880	9	5		
Nagoya Guideway-Bus Co., Ltd.	3,000	1,900	1,424	2,117	-693	17	16	1,787	
Sakae Park Promotion Co., Ltd.	1,500	788	2,465	587	1,878	76	51		
Nagoya Rinkai Express Railway Co., Ltd.	100	77	5,666	1,274	4,392	639	668		
(Public utility foundation) Nagoya Construction Services Foundation	30	30	508	53	455	-7	-10		
MEISEI SOIL RECYCLING SYSTEM Co., Ltd.	200	82	1,365	26	1,339	68	46		
(Public utility foundation) Nagoya-city Education and Sports Association	120	60	3,433	2,150	1,283	-26	-26		
Nagoya Water and Sewage General Service Co., Ltd.	630	600	1,827	630	1,197	49	20		
Nagoya Transportation Development Organization	100	100	14,240	10,600	3,641	345	211		

*Capital and municipal investment figures are as of July 1, 2018. Other figures are as of FY2017.

*Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

*1: Numbers for public utility foundations, companies and three local public corporations, and social welfare corporations are, respectively, changes in current ordinary revenue/expenditure, ordinary profit (loss), and current revenue/expenditure.

*2: Numbers for public utility foundations, companies and three local public corporations, and social welfare corporations are, respectively, changes in current general net assets, current profit (loss), and current activities revenue/expenditure difference.

Management Status of Extra-governmental Organizations for FY 2017 (Three Main Organizations)

(Million yen)

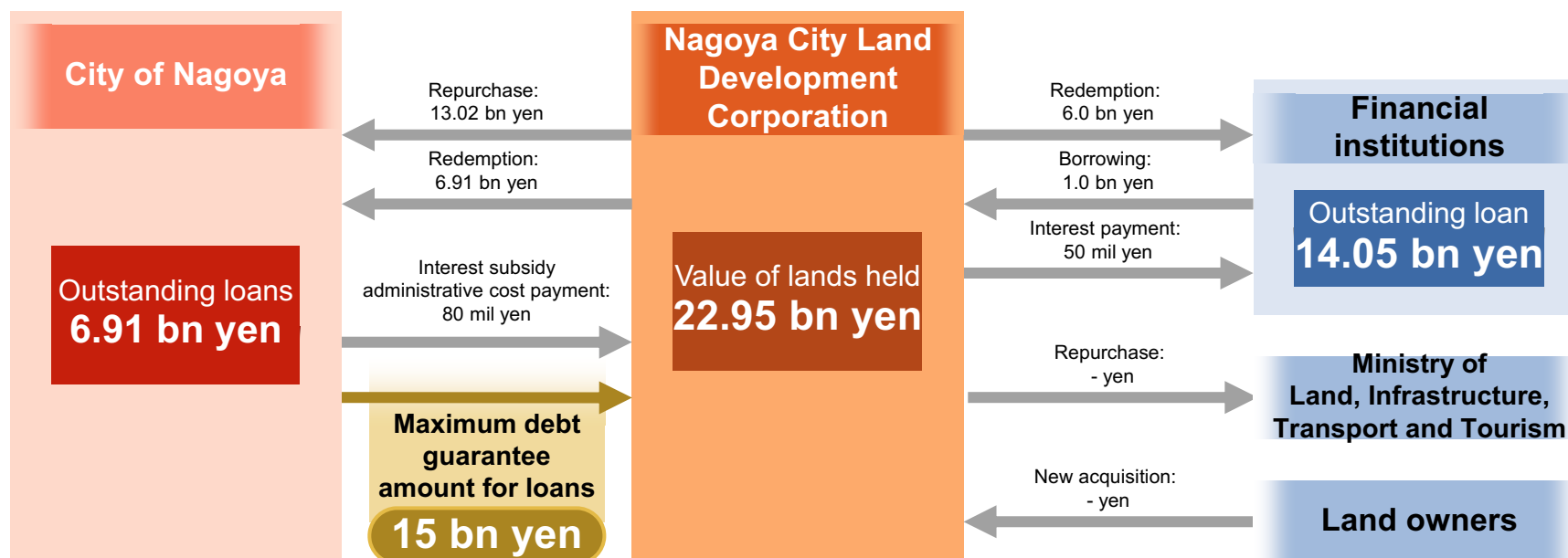
Category		Nagoya City Land Development Corporation	Nagoya City Housing Supply Corporation	Nagoya Expressway Public Corporation	
Statement of investment	Investment	20	50	317,843	
	Of those, investment by Nagoya	20	50	158,922	
	(Investment ratio)	100%	100%	50%	
	Number of investors	1	1	2	
Balance sheet	Assets	Total assets	24,571	25,683	1,689,433
		Fixed assets	20	19,753	1,675,736
		Current assets	24,551	5,930	12,706
		Deferred account	-	-	991
	Liabilities	Total liabilities	22,978	22,667	1,371,590
		Noncurrent liabilities	9,081	11,346	1,275,234
		Current liabilities	13,897	11,322	96,357
	Net worth	1,593	3,016	317,843	
Total liabilities and net worth	24,571	25,683	1,689,433		
Profit and loss statement	Revenue	8,124	14,034	76,523	
	Expenditure	8,123	13,861	76,523	
	Net income (after tax)	2	173	-	

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Relations with Nagoya City Land Development Corporation

Purpose

- Nagoya City Land Development Corporation conducts its activities including acquisition, management and disposal of lands for public use based on Act on Advancement of Expansion of Public Lands. Basically it stopped acquiring lands from FY2014.
- Nagoya City provides the corporation with financial supports including debt guarantee for loans from private-sector, loans and interest subsidy.
- Nagoya City will make a repurchase plan of corporation's land and try to dissolve the possession of corporation's land by FY 2023.

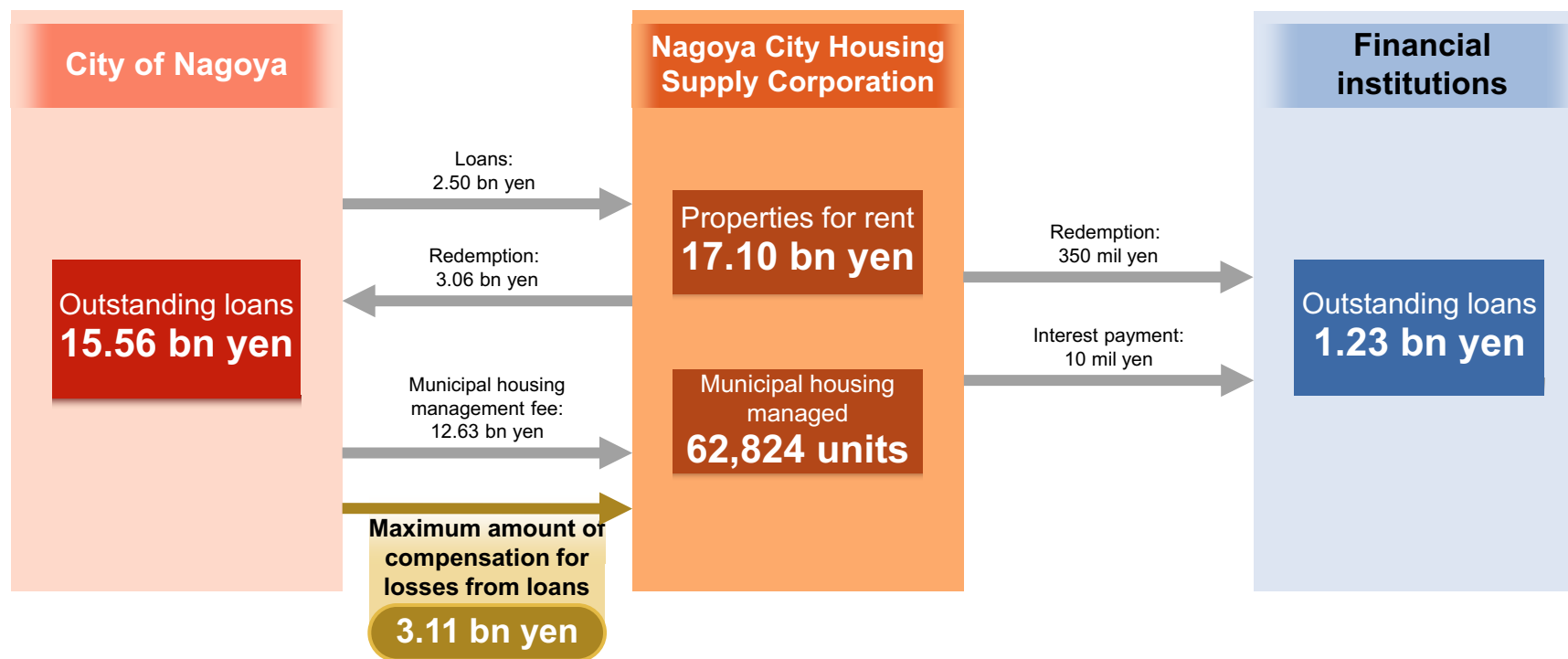


- Value of land held and outstanding loan amount are actual numbers as of the end of FY2017. Other numbers are planned numbers for FY2018 budget of Nagoya City Land Development Corporation.

Relations with Nagoya City Housing Supply Corporation

Purpose

- Nagoya City Housing Supply Corporation conducts its activities including supply of housing for rent and management of municipal housing on behalf of Nagoya City based on Local Housing Corporation Act and Act on Public Housing. Nagoya City provides the Corporation with financial supports including loans and compensation for losses.

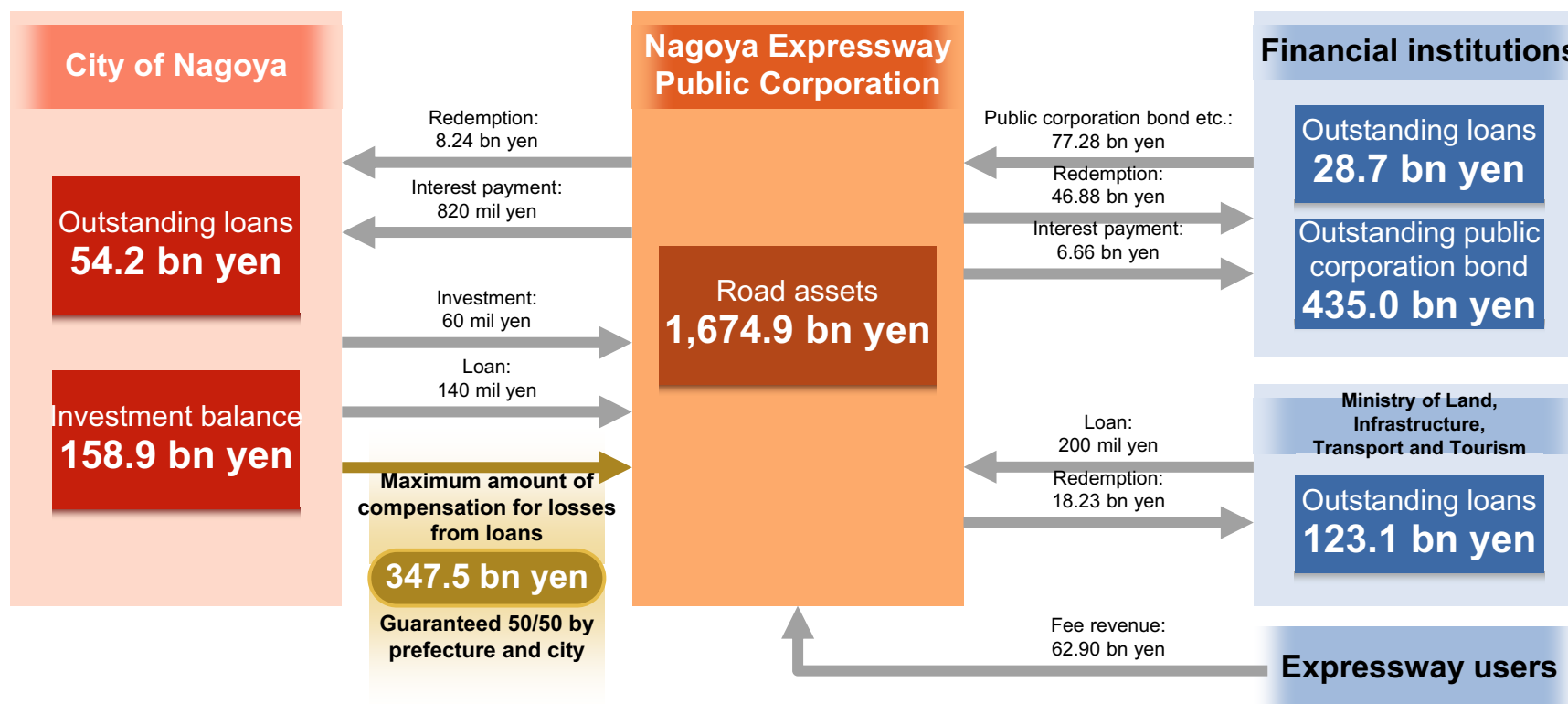


- Asset balance, outstanding loan amount and the number of municipal housing units managed are actual numbers as of the end of FY2017. Other numbers are planned numbers for FY2018 budget of Nagoya City Housing Supply Corporation.

Relations with Nagoya Expressway Public Corporation

Purpose

- Nagoya Expressway Public Corporation conducts activities including new construction, reconstruction, maintenance, repair and other management and related operations based on Local Road Public Corporation Act. Nagoya City provides the Corporation with financial supports including guarantee for loans, investment and loans.



- Asset balance and loan balance are actual values as of the end of FY2017. Other values are planned value for FY2018 budget of Nagoya Expressway Public Corporation.
- Fully opened on November 23, 2013 (81.2km). The loan is scheduled to be repaid by December 2045.

Financial Statements for FY 2016 (General Account, etc.) (1)

In response to a request from the central government in January 2015, Nagoya City's financial statements in and after FY2016 are prepared under a unified standard based on double-entry bookkeeping, accrual accounting and creation of fixed asset register.

Balance Sheet (General Account, etc.) (As of March 31, 2017)

(Billion yen)

[Assets]		[Liabilities]	
Fixed assets	3,571.5	Noncurrent liabilities	1,695.6
Tangible fixed assets	2,949.8	Municipal bonds	1,518.1
Business assets	1,215.2	Long-term accrued liabilities	21.0
Infrastructures	1,719.6	Reserve for retirement benefits	129.5
Goods	15.0	Reserve for compensation for loss	26.6
Intangible assets	6.7	Others	0.4
Software	2.4	Current liabilities	183.3
Other	4.3	Current portion of municipal bonds	158.7
Investments and other assets	615.1	Accrued liabilities	1.3
Investments and capital investments	626.1	Accrued expenses	-
Reserve for investment loss	-317.8	Advance received	-
Long-term delinquent receivables	6.4	Deferred revenue	-
Long-term loans	115.4	Reserve for bonuses, etc.	17.5
Funds	175.4	Deposits received	5.7
Others	10.6	Others	0.1
Reserve for uncollectible account	-1.0	Total liabilities	1,878.9
Current assets	112.0	[Net worth]	
Cash and deposits	17.8	Fixed asset formation	3,662.6
Accounts receivable	2.6	Surplus (shortfall)	-1,858.0
Short-term loans	39.2		
Funds	51.9		
Financial adjustment fund	14.0		
Sinking fund	37.8		
Inventories	1.0		
Others	0		
Reserve for uncollectible account	-0.4	Total net worth	1,804.6
Total assets	3,683.5	Total liabilities and net worth	3,683.5

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

■ The financial statements indicate the status of assets, liabilities and net worth as of the balance sheet date.

Financial Statements for FY 2016 (General Account, etc.) (2)

Statement of Administrative Costs (General Account, etc.) (From April 1, 2016 to March 31, 2017)			
Item	Amount (Billion yen)	Composition ratio (%)	Cost per citizen (1000 yen)
Ordinary expenses	900.4	100.0	395.9
Operating expenses	416.1	46.2	182.9
Personnel expenses	171.7	19.1	75.5
Staff salary	127.8	14.2	56.2
Provision for reserve for bonuses	17.5	2.0	7.7
Provision for reserve for retirement benefits	10.2	1.1	4.5
Others	16.3	1.8	7.2
Property expenses, etc.	217.8	24.1	95.8
Property expenses	111.9	12.4	49.2
Maintenance and repair expenses	45.3	5.0	19.9
Depreciation expenses	60.7	6.7	26.7
Others	0	0.0	0.0
Other operating expenses	26.5	3.0	11.7
Interest expenses	22.1	2.5	9.7
Provision for reserve for uncollectible account	0.6	0.1	0.2
Others	3.8	0.4	1.7
Transfer payment	484.3	53.8	212.9
Subsidies	132.8	14.8	58.4
Social security benefits	271.3	30.1	119.3
Payment to other account	78.3	8.7	34.4
Others	1.9	0.2	0.8
Ordinary revenue	84.8		
Usage fee and service charge	45.7		
Others	39.1		
Net ordinary administrative costs	-815.5		
Temporary loss	5.8		
Disaster recovery operation cost	-		
Loss from disposal/sale of property	5.5		
Provision of reserve for loss on investment	-		
Provision of reserve for compensation for loss	-		
Others	0.3		
Temporary income	8.3		
Gain from sale of assets	1.0		
Others	7.3		
Net administrative costs	-813.0		

* Cost per citizen is based on the population as of the end of FY2016 (2,274,470).

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

■ The statement of administrative costs shows expenses, etc. incurred in ordinary administrative services during a fiscal period.

■ Net worth matrix indicates detail of changes in net worth during a fiscal period.

Net worth matrix (General Account, etc.) (From April 1, 2016 to March 31, 2017)			
Item	Total	(Billion yen)	
		Fixed asset formation	Surplus (shortfall)
FY2015 Ending balance of net worth	1,798.6	3,695.1	-1,896.5
Net administrative costs	-813.0		-813.0
Revenue	813.5		813.5
Tax, etc.	590.1		590.1
Subsidy from central/ prefectural governments	223.4		223.4
FY2016 Difference	0.5		0.5
Change in fixed assets, etc. (internal)		-38.1	38.1
Increase in tangible fixed assets, etc.		43.1	-43.1
Decrease in tangible fixed assets, etc.		-67.2	67.2
Increase in loans and funds		136.7	-136.7
Decrease in loans and funds		-150.7	150.7
Valuation difference on assets	0	0	
Cost-free transfer of jurisdiction, etc.	5.6	5.6	
Others	-	-	-
FY2016 change in net worth	6.0	-32.5	38.6
FY2016 Ending balance of net worth	1,804.6	3,662.6	-1,858.0

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Financial Statements for FY 2016 (General Account, etc.) (3)

Statement of Cash Flow (General Account, etc.) (From April 1, 2016 to March 31, 2017)

(Billion yen)

[Cash flow from operating activities]		[Cash flow from investing activities]	
Expenditure for operating activities	829.1	Expenditure for investing activities	165.7
Operating expenses	344.8	Payment for developing public facilities, etc.	29.0
Personnel expenses	166.5	Provisions for fund	53.0
Property costs	153.3	Investments and capital investments	3.4
Interest expenses	22.1	Loans	80.4
Other expenditure	2.8	Other expenditure	0
Transfer payment	484.3	Revenue from investing activities	175.9
Subsidy	132.8	Subsidy from government and prefecture	23.7
Social security benefits	271.3	Reversal of fund	58.2
Payment to other accounts	78.3	Loans recovered	92.0
Other expenditure	1.9	Revenue from sale of property	2.0
Revenue from operating activities	873.7	Other revenue	0
Tax revenue	589.9	Cash flow from investing activities	10.2
Subsidy from government and prefecture	199.7		
Usage fees and service charges	45.6	[Cash flow from financing activities]	
Other revenue	38.5	Expenditure for financing activities	206.0
Temporary expenditure	-	Redemption of municipal bonds	205.9
Disaster recovery operation cost	-	Other expenditure	0.1
Other expenditure	-	Revenue from financing activities	151.6
Temporary revenue	-	Issuance of municipal bonds	151.6
Cash flow from operating activities	44.6	Other revenue	-
		Cash flow from financing activities	-54.4
		FY2016 Cash flow	0.5
		Cash, at the end of FY2015	11.6
		Cash, at the end of FY2016	12.1
		Cash other than annual revenue and expenditure, at the end of FY2015	5.3
		Changes in cash other than annual revenue and expenditure in FY2016	0.4
		Cash other than annual revenue and expenditure, at the end of FY2016	5.7
		Cash deposit, at the end of FY2016	17.8

■ The statement of cash flow shows cash flow during a fiscal year in three categories of "operating," "investing" and "financing" activities.

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Financial Statements for FY 2016 (All Accounts)

Balance Sheet (All Accounts) (As of March 31, 2017)

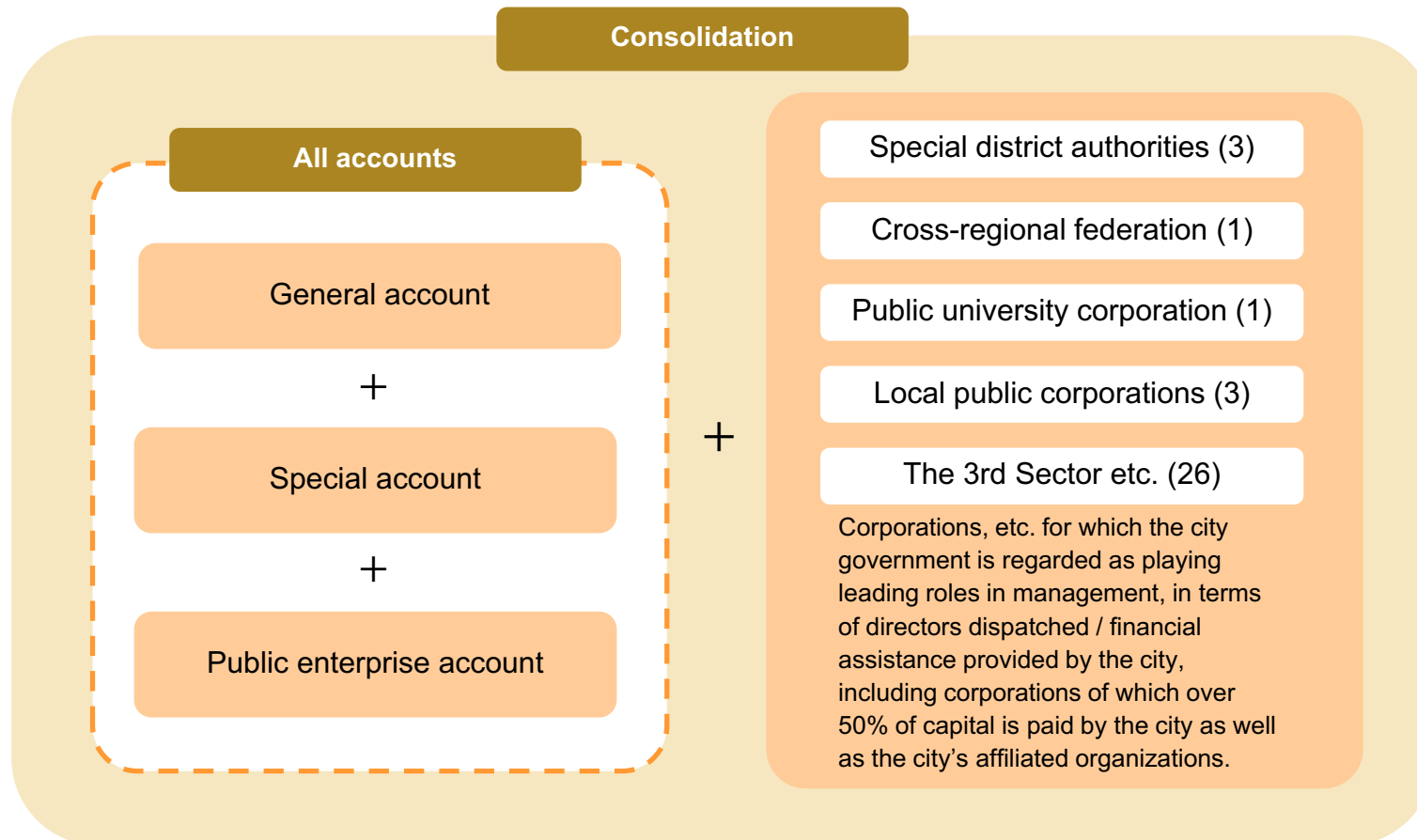
(Billion yen)

[Assets]		[Liabilities]	
Fixed assets	5,684.2	Noncurrent liabilities	3,061.3
Tangible fixed assets	5,038.6	Municipal bonds, etc.	2,534.4
Business assets	1,934.7	Long-term accrued liabilities	21.0
Infrastructures	2,887.7	Reserve for retirement benefits	177.1
Goods	216.2	Reserve for compensation for loss	29.2
Intangible assets	83.5	Others	299.7
Software	3.7	Current liabilities	319.9
Others	79.7	Current portion of municipal bonds, etc.	243.5
Investments and other assets	562.1	Accrued liabilities	30.2
Investments and capital investments	301.4	Accrued expenses	-
Reserve for investment loss	-38.1	Advance received	7.1
Long-term delinquent receivables	11.3	Deferred revenue	-
Long-term loans	97.2	Reserve for bonuses, etc.	23.8
Funds	181.4	Deposits received	11.9
Others	10.9	Others	3.4
Reserve for uncollectible account	-1.9	Total liabilities	3,381.2
Current assets	219.3	[Net worth]	
Cash and deposits	90.9	Fixed asset formation	5,774.4
Accounts receivable	22.5	Surplus (shortfall)	-3,249.7
Short-term loans	38.2		
Funds	52.0		
Financial adjustment fund	14.0		
Sinking fund	37.9		
Inventories	10.7		
Others	5.9		
Reserve for uncollectible account	-0.9		
Deferred assets	2.5	Total net worth	2,524.7
Total assets	5,905.9	Total liabilities and net worth	5,905.9

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

FY2016 Consolidated Financial Statements

- The financial statements are also prepared on a “consolidated” basis, adding affiliated organizations’ accounts to the city’s accounts.
- The scope of the consolidation is as follows:



Balance Sheet (Consolidated) (As of March 31, 2017)

(Billion yen)

[Assets]		[Liabilities]	
Fixed assets	6,492.1	Noncurrent liabilities	3,459.6
Tangible fixed assets	6,051.7	Municipal bonds, etc.	2,855.2
Business assets	2,040.3	Long-term accrued liabilities	27.7
Infrastructures	3,793.5	Reserve for retirement benefits	184.0
Goods	217.9	Reserve for compensation for loss	29.2
Intangible assets	85.9	Others	363.6
Software	4.3	Current liabilities	408.0
Others	81.6	Current portion of municipal bonds, etc.	296.6
Investments and other assets	354.5	Accrued liabilities	41.7
Investments and capital investments	85.8	Accrued expenses	0.8
Reserve for investment loss	-	Advance received	8.0
Long-term delinquent receivables	12.4	Deferred revenue	0.1
Long-term loans	21.1	Reserve for bonuses, etc.	25.0
Funds	223.7	Deposits received	19.2
Others	13.5	Others	16.5
Reserve for uncollectible account	-2.0	Total liabilities	3,867.6
Current assets	340.8	[Net worth]	
Cash and deposits	141.9	Fixed asset formation	6,571.2
Accounts receivable	36.0	Surplus (shortfall)	-3,603.5
Short-term loans	25.7		
Funds	53.5		
Financial adjustment fund	15.6		
Sinking fund	37.9		
Inventories	75.1		
Others	10.2		
Reserve for uncollectible account	-1.6		
Deferred assets	2.5	Total net worth	2,967.8
Total assets	6,835.4	Total liabilities and net worth	6,835.4

* Each amount is rounded off, so the total numbers may not agree with the sum of items shown.

Fiscal-related Data

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	2,247,752	2,257,888	2,263,894	2,266,517	2,266,851	2,271,380	2,276,590	2,295,638	2,304,794	2,314,125
Nominal municipal gross production (¥B)	12,516.2	11,644.4	12,039.4	12,211.8	12,268.5	12,544.6	12,635.6	12,886.1	-	-
Municipal tax revenue (¥B)	516.3	493.8	476.2	486.1	487.3	488.2	503.5	505.6	510.7	516.3
Internal revenue ratio (%)	70.0	66.2	65.1	66.5	67.1	67.2	65.9	65.9	65.4	60.4
Financial capability index	1.048	1.064	1.041	1.013	0.985	0.983	0.984	0.985	0.987	0.985
Real public bond ratio (%)	13.5	12.7	12.1	12.0	12.1	12.6	13.0	12.7	11.8	10.5
Future burden ratio (%)	224.9	218.6	216.3	202.5	188.4	164.9	153.9	147.4	138.8	125.0
Outstanding municipal bond balance (general account) (¥B)	1,801.8	1,814.4	1,847.8	1,849.7	1,823.8	1,774.2	1,746.3	1,695.7	1,649.6	1,621.3
Outstanding municipal bond balance (all accounts) (¥B)	3,282.1	3,263.9	3,283.6	3,244.3	3,174.8	3,079.2	3,003.6	2,897.7	2,792.8	2,714.7
Municipal bond issue amount (general account/new issue) (¥B)	97.3	109.3	124.0	93.0	83.6	75.9	81.7	60.3	65.6	68.9
Municipal bond issue amount (all accounts/new issue) (¥B)	192.6	190.6	230.7	161.3	135.7	129.9	139.0	107.0	107.7	111.0
Municipal bond issue amount (total amount including refinancing bonds) (¥B)	289.8	274.0	287.9	227.4	235.0	240.8	263.3	206.6	208.4	181.7
Ordinary revenue/expenditure ratio (%)	96.8	98.1	99.4	99.8	99.8	100.2	99.3	97.5	99.8	99.2

■ Population values are as of October 1 of each year.

■ For municipal tax revenue and outstanding municipal bond balance, please refer respectively to p.27 and p.31 of the main document.

Reminder

- This material explaining the fiscal condition of the City of Nagoya is intended for investors considering purchasing Nagoya City municipal bonds. It is not related to the sale or offer of any particular bond.
- The contents of this material are as of October 2018, based on the settlement of accounts for FY 2017, and are subject to change in the event of future developments in the local fiscal system and/or economic conditions.

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