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・ Although this report is based on a set of data deemed reliable, we do not guarantee its accuracy or integrity. The future prospects and forecasts contained in this report fall within reasonable range in the view of the TMG; we are not in a position to guarantee their realization.  
・ The TMG may have published, or may publish going forward, other reports that contradict what is said in this report. The readers are advised to use this report under their own responsibility.

# Tokyo Social Bonds Impact Report

October 2025





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The Sustainable Development Goals (SDGs) were unanimously adopted at the UN Summit in 2015. In order to realize a world that leaves no one behind, wide-ranging initiatives must be implemented in the fields of economy, society, and the environment at not only the national level, but also the local government level.

The Tokyo Metropolitan Government has formulated the Tokyo 2050 Strategy: Unlocking a Better Future and is strategically advancing measures aimed at realizing our vision for Tokyo in the 2050s. Working together with the people and businesses of Tokyo, we will make Tokyo the world's best city: a city that leaves no one behind, enables each and every person to shine and feel happy, and achieves a balance between maturity and ongoing growth.

The power of finance can help find solutions to social problems. New flows in finance open paths for society to take. In order to significantly accelerate actions for the SDGs, in 2021, the Tokyo Metropolitan Government became the first local government in Japan to issue social bonds. With the backing of investment, we are strongly promoting policies for those in need of social support while also striving to stimulate the sustainable finance market.

Meanwhile, amid the rapid global expansion of sustainable finance, concerns about ESG washing are also rising. The quality of sustainability strategy as a whole is in question, making it necessary to secure more transparency, such as confirming the situation of funds procured after bond issuance and better reporting.

The Tokyo Metropolitan Government has prepared the Tokyo Social Bond Impact Report to show in an easy-to-understand manner the situation and social impacts of projects that were allocated funds raised through bond issuance, and also provide a total picture of the goals and individual projects.

Along with continuing to take concrete actions to find solutions to social problems, we will also engage in developing the sustainable finance market through the issuance of social bonds.

I hope this report will serve to deepen your understanding of Tokyo's social bonds.



KOIKE Yuriko  
Governor of Tokyo

## The Future that Tokyo Social Bonds aim to realize

(From the Tokyo Social Bonds Series 7 and 8 Framework)

- 1 Strongly promote TMG's measures** backed by the support provided by companies and investors through their **investment in Tokyo Social Bonds**.
- 2 Stimulate the sustainable finance market** by accelerating the trend of utilizing market funds to find solutions to societal challenges.
- 3 Realize a bright future Tokyo where people shine and contribute to achieving the SDGs** through these efforts.





# Targets and Actions of TMG

## Actions taken by TMG

### September 2015 Adoption of the SDGs



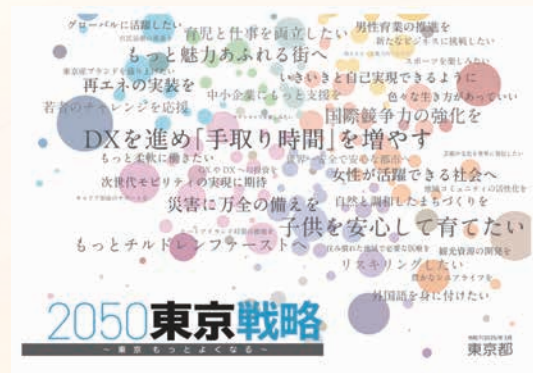
The SDGs – Global Goals to be achieved by 2030 – were adopted at a UN summit meeting in September 2015. Composed of 17 goals to usher in a sustainable world, the SDGs represent common goals to be achieved by all countries, including the developed, as well as developing countries.

### March 2021 Development of the "Future Tokyo" Strategy



Against this backdrop, the TMG formulated "Future Tokyo:Tokyo's Long-Term Strategy" in March 2021, providing a vision for Tokyo in the 2040s, and presenting strategies for 2030 and projects for strategy implementation. Centered on "people," the key driver of Tokyo's development, the Strategy's direction is aligned with the vision of the SDGs to create an inclusive society that leaves no one behind.

### March 2025 Development of the Tokyo 2050 Strategy: Unlocking a Better Future



Society continues to change at an unforeseeable speed with the climate crisis intensifying, birthrates are declining and populations aging, and technologies like generative AI are advancing at an explosive pace. In such times, we must transform this accelerated change into opportunity and chart a course for further leaps forward. The "2050 Tokyo Strategy" is a new compass for metropolitan governance, compiling policies to be implemented by 2035 to realize the vision of Tokyo we aim to achieve in the 2050s.

## Tokyo, The best city in the world

- a city balances maturity and ongoing growth where all individuals shine and feel a sense of wellbeing.

# Principal Use of Proceeds from Tokyo Social Bonds

## Principal Use of Proceeds



Disaster countermeasures for facilities and infrastructure

Measures for aging public facilities and infrastructure

Promotion of industry and employment continuity and generation

Building an educational environment to fully draw out the individuality and potentials of each student

Infrastructure development for long-term care services

Development of child welfare facilities, etc.

Strengthening the housing safety net

Universal design for accessible public facilities

Enhancement of the healthcare provision system

# Overview and Framework of the Tokyo Social Bonds Series 7 and 8

■ The table below overview of The Tokyo Sustainability Bonds Series 7 and 8 in FY2024.

For Institutional Investors		
Series name	Tokyo Metropolitan Government Publish Bond (Tokyo Social Bond (5 yr)) #7	Tokyo Metropolitan Government Publish Bond (Tokyo Social Bond (5 yr)) #8
Tenor	5yr	5yr
Issue Amount	JPY 25bn	JPY 20bn
Use of proceeds	Projects for individuals in need of social support (see 7p-13p for details)	
Coupon	0.604%	1.157%
Spread	JGB + 5.5bp	JGB + 8.5bp
Issue price	100.00	100.00
Pricing date/ Settlement date	Wednesday, June 26, 2024 / Friday, July 5, 2024	Friday, February 21, 2025 / Wednesday, March 5, 2025
Redemption date	Wednesday, June 20, 2029	Thursday, December 20, 2029
Ratings	A+ (S&P Global Rating Japan Inc.)	
External ReView	Rating and Investment Information, Inc. (R&I)	
Final Demand Subscription rate	1.2 times oversubscribed	1.1 times oversubscribed
Declaration of Investment	From 29 Investors	From 34 Investors

## Tokyo Social Bonds Framework































- In compliance with the International Capital Market Association's (ICMA) Social Bond Principles, the TMG drew up the Tokyo Social Bonds Framework (May 2024) including sections on the use of proceeds, process for project evaluation and selection, management of proceeds and reporting.
- Prior to the 7th and 8th series of public offering of Tokyo Social Bonds, we obtained in May 2024 a second party opinion from Rating and Investment Information, Inc. that the Tokyo Social Bonds Framework complies with the Social Bond Principles.

### Outline of the Tokyo Social Bonds Framework

1. Use of Proceeds	■ Projects listed on pages 7–10 and other projects
2. Process for Project Evaluation and Selection	■ Evaluate projects for eligibility using ESG criteria and select projects that qualify for financing through Tokyo Social Bonds to be issued in the current fiscal year. Priority is placed on S (Society)
3. Management of Proceeds	<ul style="list-style-type: none"><li>■ Management by identifying the use of the allocated funds through classification into accounting segments under TMG's budget rules.</li><li>■ Funds to be allocated to projects selected for the fiscal year in principle.</li><li>■ Documents required for financial statements to be prepared after the end of each fiscal year for approval by the Tokyo Metropolitan Assembly.</li></ul>
4. Reporting	■ Information on the amount of funds to be allocated to and the expected environmental impact of each selected project to be posted on the TMG website before issuance, followed by disclosure of the actual amount allocated to and expected impact of each selected project by the end of the following fiscal year.

### Second Party Opinion

- R&I
- Compliance with the Social Bond Principles
  - All financed projects were recognized as contributing positively to achieving the SDGs (see the table below).

USE OF PROCEEDS	SUSTAINABLE DEVELOPMENT GOALS
Disaster countermeasures for facilities and infrastructure	    
Measures for aging public facilities and infrastructure	      
Promotion of industry and employment continuity and generation	 
Building an educational environment to fully draw out the individuality and potentials of each student	    
Infrastructure development for long-term care services	 
Development of child welfare facilities, etc.	   
Strengthening the housing safety net	 
Universal design for accessible public facilities	 
Enhancement of the healthcare provision system	

\*Framework and second-party opinion are available on the TMG website at:  
<https://www.english.metro.tokyo.lg.jp/w/006-101-000954>



# Projects Financing and Impact of the Tokyo Social Bonds Series 7 and 8

- The proceeds of Tokyo Social Bonds issued in FY2024 were allocated to 32 projects in 9 categories.
- Aiming to further penetrate the market with the Tokyo Social Bonds, approximately 30% of the total was allocated to the “Strengthening the Housing Safety Net” category, including public housing construction projects, while about 20% was allocated to the “Measures for aging public facilities and infrastructure” category.

Project categories	Projects for allocation	Social issues addressed	Target Populations	Allocation results (millions of yen)	KPI	Impact	Related SDGs
1 Disaster countermeasures for facilities and infrastructure	Removal of utility poles	•Strengthening urban disaster management functions •Securing safe and enjoyable walking spaces •Create a scenic city	People who could be affected by road blocks, power cuts, etc. due to fallen electric poles during natural disasters Road users including stroller and wheelchair users	500	Length completed Number of airports upgraded Number of ports upgraded	3,600m 1 port 2 airports	 
	Development of facilities for parks designated as emergency evacuation sites	Securing sites for evacuation, and rescue and relief activities in the event of a disaster	Park users including local residents	80	Number of upgraded parks	5 parks (Number of parks completed in FY2024)	 
	Construction of waste disposal sites in the Port of Tokyo (Shinkaimen Landfill Site, Outer Central Breakwater Reclamation Area)	Constructing waste landfill sites that are difficult to secure in the crowded area of inland Tokyo	Citizens of Tokyo	3,170	Area of constructed landfill sites	67ha (by the end of FY2027)	  
	Subsidizing the costs of promoting safety measures (earthquake resistance of private schools)	Securing the safety of the students in the event of a disaster	Infants, children, students	140	Number of subsidized buildings	1 facility	  
	Installation and reinforcement of emergency backup power generation systems in water supply and other facilities	Securing stable water supply in an emergency such as a large-scale power failure	local residents	996	Percentage of water supply that can be secured during a large-scale power failure	92% (by the end of FY2030)	
	Duplication and renewal of raw water transmission facilities	•Securing stable water supply in the event of a disaster or accident •Renewing old raw water conveyance facilities	local residents	124	Percentage of duplicated raw water conveyance facilities	88% (by the end of FY2030)	
	Earthquake countermeasures for water reclamation centers and pumping facilities	Securing sewer system functions in the event of a large earthquake directly striking Tokyo, etc.	Citizens of Tokyo and sewage service users	671	Number of facilities that have installed emergency backup power generation systems to ensure stable operations even in a power failure	89 facilities (by the end of FY2025)	
	Upgrade to elevators equipped with restart functions	Securing the safety and security of users (reducing the risk of being trapped in elevators in the event of an earthquake, etc.)	People vulnerable to natural disasters	200	Number of elevator units installed	1 unit	  
2 Measures for aging public facilities and infrastructure	Life extension of port facilities	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Port facility users including local residents	210	Cumulative number of life-extension projects begun	5 facilities (by the end of FY2030)	  
	Port renovation	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents	1,113	Number of ports upgraded	14 ports	  
	Fishing port renovation	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents	717	Number of fishing ports upgraded	15 fishing ports	  
	Airport redevelopment	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents	200	Number of airports upgraded	6 airports	  
	Renovation of Tokyo metropolitan libraries	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Facility users including Tokyo residents	20	Number of facility users	Number of facility users Approx. 281,000 users in total (actual data for FY2024)	
	Renovation of cultural facility (renovation of the Edo-Tokyo Museum)	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Citizens of Tokyo and facility users	4,300	Number of facility users	Approx. One million users (actual data for FY2019)	  
	Upgrade of police facilities	Maintaining and managing sustainable infrastructure and securing the safety and security of residents	Citizens of Tokyo (local residents)	68	Number of upgraded facilities	5 facilities	  
	Upgrade of fire stations	Maintaining and managing sustainable infrastructure and securing the safety and security of residents	Citizens of Tokyo (local residents)	232	Number of upgraded facilities	19 facilities	  
	New establishment, expansion and renewal of water supply stations	Securing a stable water supply by resolving uneven distribution of service reservoir capacity of water supply stations	Local residents	1,545	Stable water supply securement rate	89% (by the end of FY2030)	  
	Reconstruction of facilities in water reclamation centers and pumping stations	Securing stable sewage services by reconstructing aging facilities	Citizens of Tokyo and sewage service users	1,929	Number of main equipment renewed	2,771 units (by the end of FY2025)	  
3 Promotion of industry and employment continuity and generation	Renovation employment and job placement promotion facilities, etc. (renovating facilities such as Tokyo Shigoto Center)	Providing employment and job placement support to Tokyo's residents	People who need employment support	140	Number of facility users	Number of Tokyo Shigoto Center users Approx. 250,000 users in total (actual data for FY2024)	 
4 Building an educational environment to fully draw out the individuality and potentials of each student	Construction and renovation of Tokyo Metropolitan Schools	Achieving education that leaves no one behind and allows all children to hold hopes for the future and to take the initiative to grow	children, students	1,207	School capacity	6,920 students (by the end of FY2034)	   
	Construction and renovation of schools for special needs education	Supporting proactive efforts toward the independence and social participation of young children, students with disabilities	Infants, children, students with handicaps	2,333	School capacity	School capacity classes for students requiring: 1,066 students Physical disability: 111 students Visual disability: about 71 individuals (by the end of FY2030)	    

\*Environmental impact refers to the positive impact on the environment yielded by the end of FY2024 or expected to be yielded.

\*The figures for the impact and allocated results for eligible projects represent the amounts before post-issuance evaluation by a third party.

Projects Financing and Impact of the Tokyo Social Bonds Series 7 and 8

Project categories	Projects for allocation	Social issues addressed	Target Populations	Allocation results (millions of yen)	KPI	Impact	Related SDGs
5 Infrastructure development for long-term care services	Provision of subsidies to develop geriatric health services facilities	Helping senior citizens requiring long-term care to resume life at home	Elderly persons needing nursing care	167	Number of facilities subsidized	8 facilities	
	Provision of subsidies to develop special nursing homes for the elderly	Providing services such as personal care and rehabilitation care to senior citizens who have difficulty living at home	Elderly persons needing nursing care	3,533	Number of facilities subsidized	33 facilities	
6 Development of child welfare facilities, etc.	Construction and renovation of facilities for individuals (children) with intellectual disabilities	Supporting severe and medical care dependent intellectually disabled individuals (children) with challenging behavior	Primarily individuals (children) with disabilities	3	Number of users of facilities	160 children(by the end of FY2029)	
	Provision of subsidies to develop facilities for individuals (children) with disabilities	Providing support for securing necessary services and promoting the development of infrastructure for realization of a society where individuals (children) with disabilities can live in their communities with peace of mind	Individuals (children) with disabilities	2,782	Number of users of facilities	Short-stay facilities, day-care facilities for severely disabled children (individuals): 64	
					Number of facilities subsidized	Residential care facilities for individuals (children) with disabilities, group home facilities, etc.: 55 facilities	
	Construction and renovation of child welfare facilities	Addressing the needs of children requiring support for transitioning to independent living	Children requiring support for transitioning to independent living	120	Number of users of facilities	120 children(by the end of FY2028)	
7 Strengthening the housing safety net	Construction of public housing	Reconstructing aging public housing for low income residents who are unable to secure adequate housing on their own	Low-income persons who are truly unable to find a place to live	8,000	Number of reconstructed houses	1,911 units	
	Repairment of housing	Repairs to address issues such as aging public housing for low income residents who are unable to secure adequate housing on their own	Low-income persons who are truly unable to find a place to live	5,200	Number of implemented houses	5,674 units	
8 Universal design for accessible public facilities	Make sidewalks barrier-free	Securing an environment where everyone can move about safely and smoothly	All persons including the elderly and the disabled	100	Length completed	7,035m	
	Increase barrier-free routes	Building an environment where everyone can move about safely and comfortably	Station users, particularly including persons with disabilities and the elderly	100	Number of units installed	2 elevators (by the end of FY2026)	
	Introduction of people-friendly Toei subway cars	Introducing subway cars that everyone can feel safe and comfortable using	Toei Subway users	100	Daily average number of passengers	888,957 (Actual number for April 2024-March 2025)	
					Number of train formations introduced	8 formations	
9 Enhancement of the healthcare provision system	Loans to the Tokyo Metropolitan Hospital Organization	Providing high quality healthcare, such as the provision of government-led healthcare services and enhancement of local healthcare, amid the aging population and changing healthcare environment	Tokyo residents (people who use medical institutions)	5,000	Number of inpatients Number of outpatients	A total of 1,657,830 people (Actual results from April 2024 to March 2025) A total of 2,407,569 people (Actual results from April 2024 to March 2025)	
Total				45,000			

\*Environmental impact refers to the positive impact on the environment yielded by the end of FY2024 or expected to be yielded.  
\*The figures for the impact and allocated results for eligible projects represent the amounts before post-issuance evaluation by a third party.

Breakdown of allocation amount



These projects, assessed and selected before the bond issue, were made public in May 2024 (Series 7) and February 2025 (Series 8) in line with the project assessment and selection process and reporting method specified in the Tokyo Social Bonds Framework.  
The total proceeds of JPY 45 billion from the Tokyo Social Bonds Series 7 and 8 were managed in line with the management method specified in the Framework and allocated in their entirety to those projects by the end of FY2024.





Higashiyamato City Tokyo-Kaido Apartment

## Construction of public housing

Strengthening the housing safety net

### Target

**Low income residents who are unable to secure adequate housing on their own (mainly older persons living alone\*)**

\* People in Metropolitan housing complexes are aging, with almost 70% of tenants already aged 65 or over.

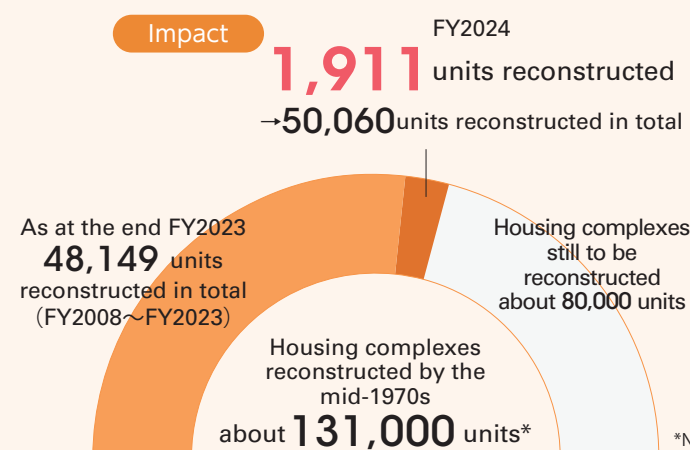
### Rationale for the project

- **We are reconstructing aging housing units to be leased at affordable prices** to low income residents who are unable to secure adequate housing on their own.
- Approx. 80,000 units are currently in need of reconstruction mainly due to aging, accounting for almost 30% of the total public housing units managed by the TMG (as at the end of FY2024).
- We are systematically reconstructing aging Metropolitan housing units due to the serious need for **disaster risk reduction and fireproofing, among others.**

### Objective of the TMG (planned)

**3,800 Municipal housing units to be reconstructed in FY2025**

### Impact



### Public housing

#### <Eligibility (units for families)>

- 1 Resident of Tokyo
  - 2 Living with at least one family member
  - 3 Meeting the stated income criteria\*
  - 4 In need of housing
  - 5 Other
- \* Income criteria (examples)
- Living with 1 family member: Annual income of 1.90 million yen or less
  - Living with 3 family members: Annual income of 2.66 million yen or less

\*Number of housing complexes covered by the public housing replacement policy developed in 2008

Created in FY2024

- Kirigaoka 2-chome Housing Complex, Kita City
- Midorigaoka 2-chome Housing Complex, Chofu City, etc.

Contribution to SDGs



Yushima Pumping Station (Emergency power generation equipment)

## Earthquake countermeasures for sewage facilities

Disaster countermeasures for infrastructures

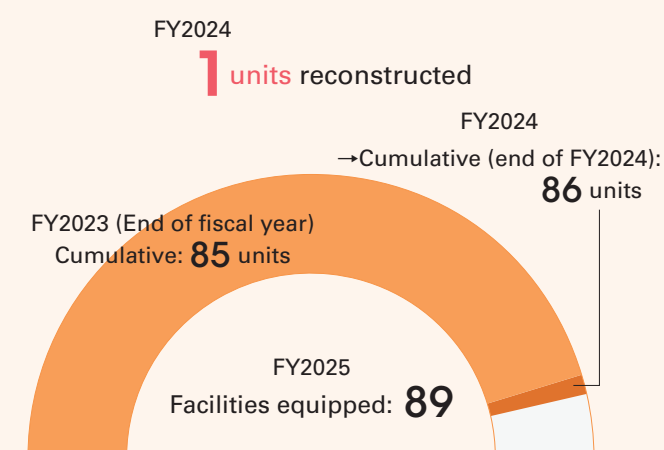
### Rationale for the project

- **Sewage works are an important urban infrastructure** that supports the urban activities of Tokyo and the lives of residents.
- **Emergency power generation systems are installed** at water reclamation centers and pumping facilities to **secure the power necessary to stably operate sewage facilities** during a power outage.

### Objective of the TMG (planned)

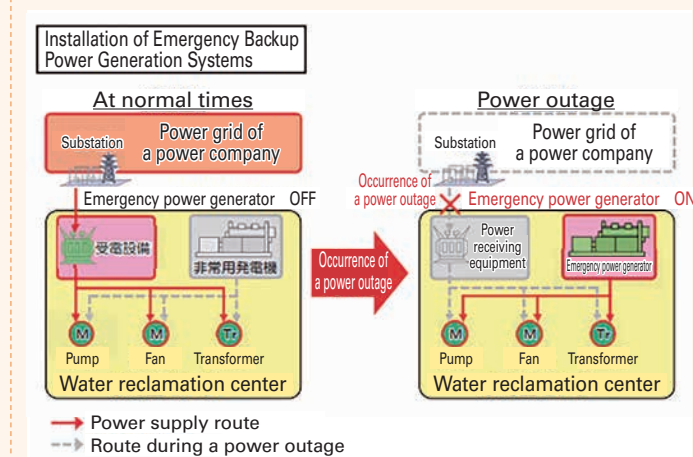
**FY2025 Number of facilities equipped with emergency generators: 89**

### Impact



### About emergency backup power generation systems

- Emergency power generators are utilized during a power outage as shown in the figure below.



Created in FY2024

• Yushima Pumping Station

Contribution to SDGs







(Image for illustrative purposes)

## Provision of subsidies to develop special nursing homes for the elderly

Developing the foundation of nursing care services

### Target

**Elderly people in need of long-term care (people certified for long-term care 3–5)**  
(Actual capacity of special nursing homes for elderly people at the end of FY 2023: 53,435 people)

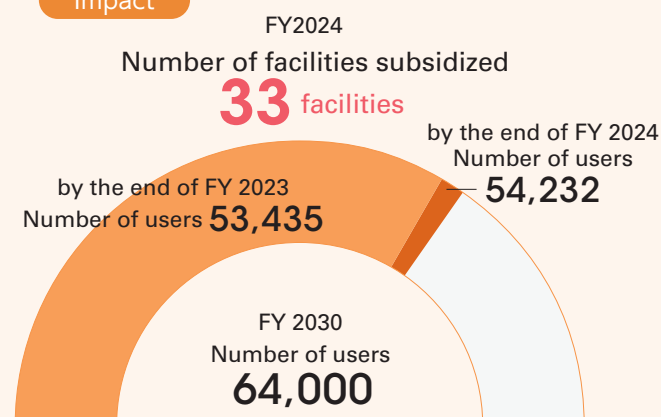
### Rationale for the project

- Since the number of **elderly people in need of long-term care** has been increasing with the aging of the population, it is necessary to develop an infrastructure for long-term care services.
- Special Nursing Homes\* are residential facilities for **elderly individuals with high care needs who find it difficult to live at home. They provide comprehensive daily living care along with functional training and other services.**

### Objective of the TMG (planned)

**Securing rooms for 64,000 people in special nursing homes in Tokyo by the end of FY 2030**

### Impact



### \*About special nursing homes for elderly people

#### <Trends in Tokyo's Elderly Population>

- The percentage of people aged 65 or older in Tokyo is estimated to be **27.3% by 2040.**  
⇒ It is expected that **approximately one out four Tokyo residents** will be an elderly person.
- **One in five** Tokyo residents aged 65 or older has been **certified as requiring nursing care or support.**

#### <About Special Nursing Homes for the Elderly>

Individuals certified as requiring care levels 3 to 5\*

#### \*Certified Care Recipient

Under the Long-Term Care Insurance System, individuals can receive care services when they become bedridden, develop dementia, or otherwise require constant care (requiring long-term care), or when they need assistance with daily living activities such as housework and personal grooming and are in a state where preventive care services are particularly effective (requiring support).

Created in FY2024

• Social welfare corporations and municipal governments in Tokyo

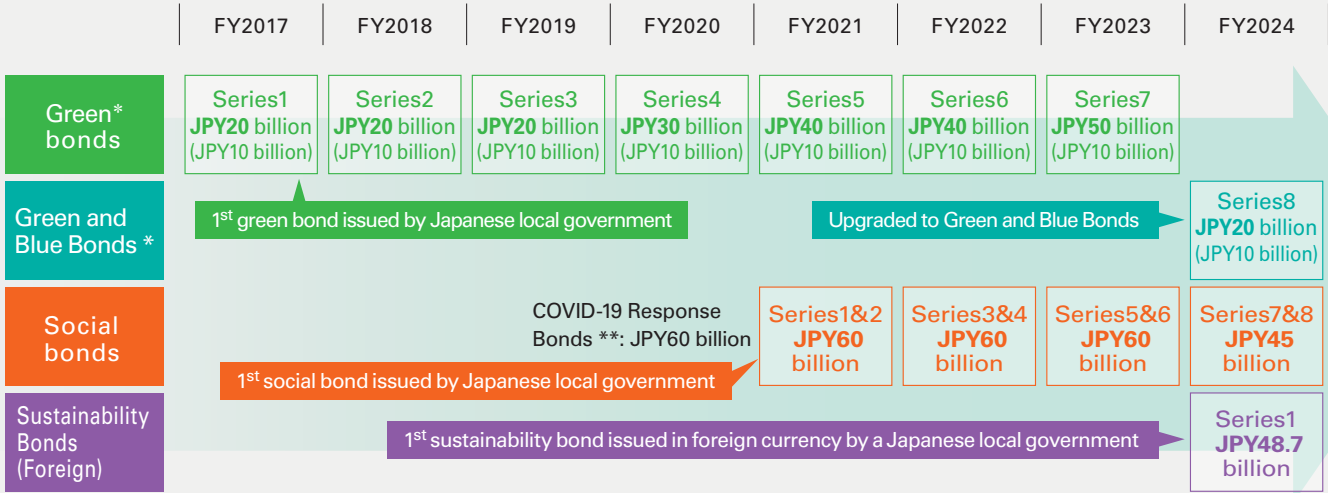
Contribution to SDGs





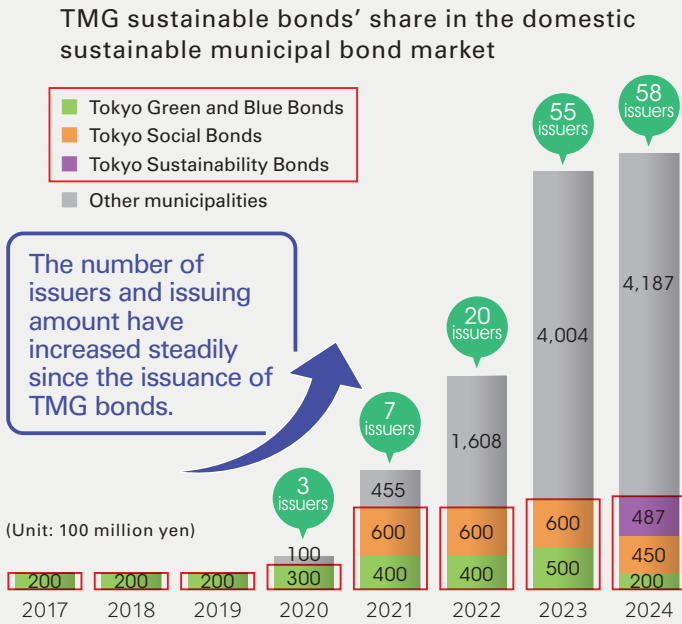
Issuance Result of TMG's Sustainable Bonds (Appendix)

- To capture the momentum of the SDGs and ESG, TMG issued Tokyo Environmental Supporter Bonds in FY2016.
- With the issuance of Tokyo Green Bonds in FY2017, the TMG became the first local government in Japan to issue green bonds, thus contributing to the development of the domestic market since its inception.
- In response to the momentum toward sustainable recovery both in Japan and overseas, in FY2020 TMG issued bonds earmarked for action to cope with the COVID-19 pandemic. In FY2021, TMG launched Tokyo Social Bonds – the first of its kind for a Japanese local government – to assist Tokyo residents and businesses in need of social support.
- TMG has also gradually scaled up the issuance of bonds since the initial offer of JPY20 billion. In addition to the continued issuance of Tokyo Social Bonds, Tokyo Green and Blue Bonds were issued in FY2024, and Tokyo Sustainability Bonds in foreign currency were also issued. In FY2025, we will upgrade the Tokyo Sustainability Bonds and issue the TOKYO Resilience Bonds in international markets. By continuing to issue sustainable bonds, we aim to become a leading city in “Sustainable and Resilient Finance,” supporting the realization of a sustainable and resilient society from a financial perspective.



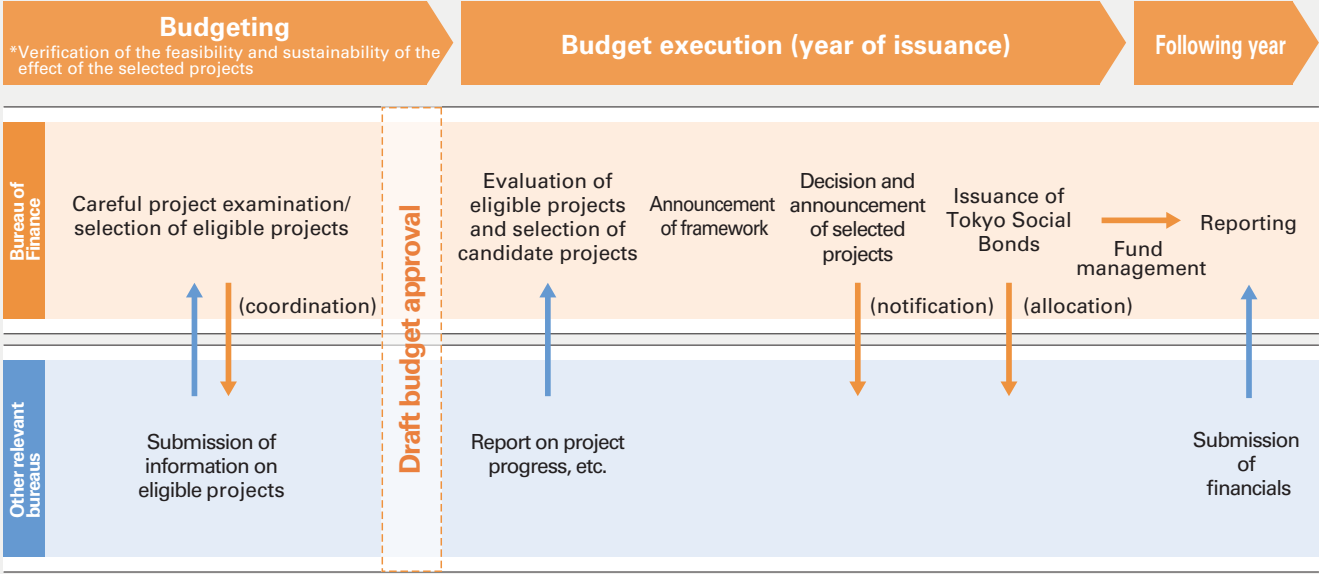
\*The figures shown in parentheses ( ) are the amounts of the Tokyo Green Bonds and Tokyo Green and Blue Bonds issued for individual investors (estimated amounts converted to yen, bonds worth 10 billion yen are issued every year).

\*\*All bonds have been certified by a third party excluding those issued in FY2020 to finance measures against COVID-19 (JPY60 billion).



- Awards won**
- **Refinitiv Japan, K.K.**  
"DEALWATCH AWARDS2022"  
Sustainable Finance Issuer of the Year  
"TMG made its presence felt by **proactively engaging in financing with ESG bonds**. It attracted immense demand by enhancing communication both in Japan and overseas and gaining **endorsement from investors**."
  - **Japan Times**  
"Sustainable Japan Award2023"  
Jury's Special Award, ESG Category  
"Including Green and Social Bond issues, the **forward-looking initiatives of TMG substantially contribute to the activation of the local government ESG bond market**."
  - **Environmental Finance** (British journal specialized in environmental finance),  
"Environmental Finance Bond Awards 2023"  
Social Bond of the Year – local authority/municipality  
"As the **first local government to participate in the sustainable bond market**, TMG demonstrated a wide range of use of proceeds by expanding the scope of financed projects in its June 2022 issue."  
"Sustainable Debt Award 2025"  
Sustainability Bond of the Year – local authority/municipality  
The Tokyo Sustainability Bonds are the first ESG-labeled foreign bonds for the Tokyo metropolitan government, and Moody's provided a second party opinion that "the bonds demonstrate a significant contribution to sustainability and the expected impact of the eligible projects is significant."

Process from Project Selection to Reporting (Appendix)



- <Budget planning phase>**
- The Bureau of Finance selects eligible projects and the projects to be financed by the proceeds in consultation with the bureau responsible for each project and the department responsible for the environment.
  - Where stipulated by the applicable law, such as the Local Government Finance Act, a local government may issue local bonds as specified in the budget, which needs to be adopted by the local assembly before the start of the fiscal year concerned. TMG bonds, including Tokyo Social Bonds, are issued in accordance with this procedure. The feasibility of the selected projects and the sustainability of their effects are also verified in the budgetary process.
- <Budget execution phase>**
- We manage the allocation of proceeds to selected projects following the issuance of Tokyo Social Bonds while clarifying the use of the allocated funds by classifying the revenue budget into accounting segments under the TMG budget rules.
- <Fiscal year after issuance>**
- Regarding reporting, we publish the results of fund allocation by the end of the fiscal year following the issuance of Tokyo Social Bonds.
  - With regard to the revenues and expenditures of the TMG, including those pertaining to the projects financed by the proceeds of Tokyo Social Bonds, documents required for financial statements are prepared after the end of the fiscal year, reviewed by the Audit and Inspection commissioners, and then submitted to the Tokyo Metropolitan Assembly for approval, along with the commissioner's opinion.
  - Throughout this process, the TMG ensures the appropriateness and transparency of the evaluation and selection of financed projects as well as fund management.





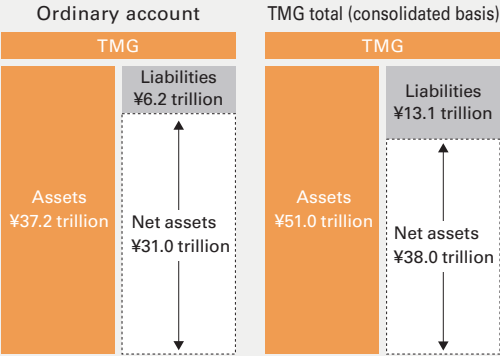
# Financial Standing of TMG (Appendix)

\*Based on financial results of ordinary account for FY2024

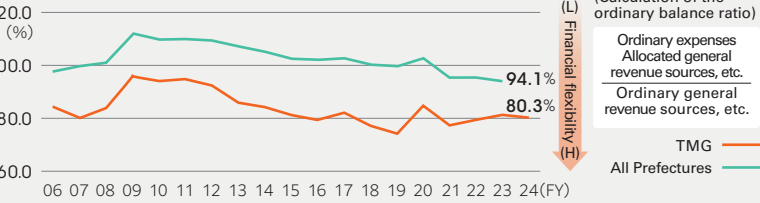
- TMG's ordinary balance ratio and ratio of expenses for public bonds in FY2024 stood at 80.3% and 5.1%, respectively, highlighting greater financial flexibility than the prefectural average.
- Assets and liabilities on the balance sheet come to total ¥37,173.4 billion and ¥6,195.1 billion, respectively, resulting in a total net worth (difference between assets and liabilities) of ¥30,978.2 billion.
- The aggregate balance sheet of the TMG, including special accounts and public enterprise accounts and policy cooperation bodies, etc., as well as ordinary account, shows total assets of ¥51,039.1 billion, total liabilities of ¥13,071.3 billion, and a total net worth of ¥37,967.7 billion.

\* "Ordinary account" refers to the accounts of each local government systematically restructured under the standards set by the Ministry of Internal Affairs and Communications to understand the financial status of local governments and analyze all local finance plans, among others.

## Balance sheet

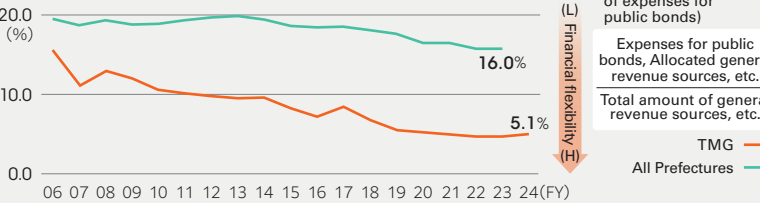


## Ordinary balance ratio



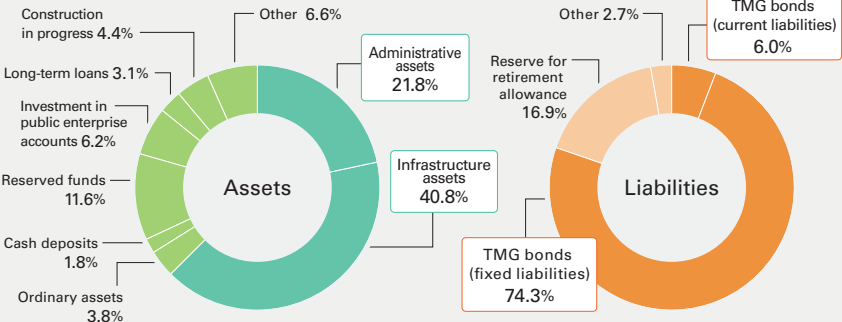
\*The ratio for each prefecture is a weighted average, and it was calculated excluding followings from the regular general revenue sources. FY 2006: tax reduction compensation bonds and temporary fiscal countermeasure bonds. FY 2007-2019: the special portion of revenue shortfall compensation bonds and temporary fiscal countermeasure bonds. FY 2020-2021: the special portion of revenue shortfall compensation bonds, and special deferral bonds and temporary fiscal measures bonds. FY 2022-2023: the special portion of revenue shortfall bonds and temporary fiscal measures bonds.

## Ratio of expenses for public bonds



\*The ratio for all prefectures represents a weighted average excluding partial administrative cooperation associations, etc.

## Composition of assets and liabilities

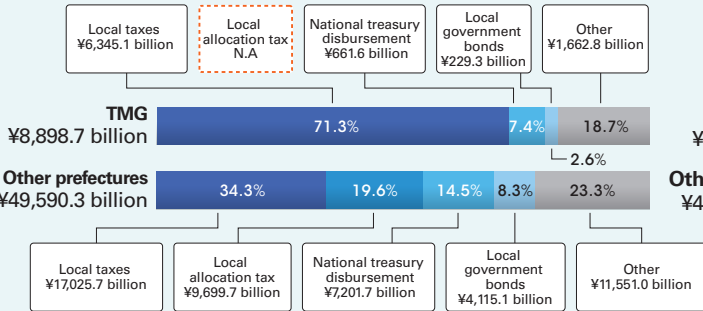


\*Percentages do not add up to 100% due to rounding.

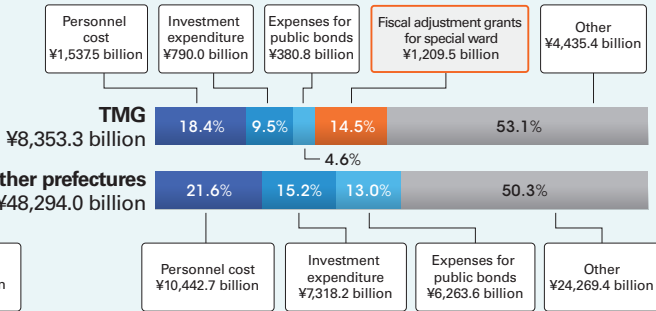
## Characteristics of TMG finance

- As compared with the local finance plan, the revenue structure of TMG has the following characteristics: (1) high dependence on local taxes; (2) no local allocation tax granted from the national government; (3) low dependence on national treasury disbursement; and (4) low dependence on local government bonds. All these characteristics indicate considerably higher financial autonomy and flexibility than other local governments in general.
- As regards the structure of expenditure, one of the characteristics of the TMG is the disbursement of grants for financial adjustments under the Special Ward System. The low ratio of expenses for public bonds, mainly for redemption of local bonds, also indicates greater financial flexibility than other prefectures.

## Comparison of revenue structure between TMG and other prefectures (financial results for FY2023)



## Comparison of spending structure with other prefectures (financial results for FY2023)



For further information on the results of ordinary account in FY2024, please visit:  
<https://www.zaimu.metro.tokyo.lg.jp/zaisei/kessan/r6/6nenjizaimuhoukokusho> (TMG Annual Financial Report, FY2024).

# Safety and Liquidity of TMG Bonds (Appendix)

## < Safety >

- The TMG is capable of financing the redemption of its bonds in a stable manner as it depends mostly on its own sources of revenue, such as local taxes, which it has power to impose.
- The BIS applies 0% risk weighting to local government bonds, including TMG bonds, because the national government guarantees necessary funding for the repayment of principal and interest, for example by setting the total amount of the local allocation tax at a level to ensure a balance between total expenditure, including public bond costs, on the one hand, and total revenue on the other.
- In recognition of its disciplined fiscal administration, the TMG enjoys from S&P Global Ratings Japan Inc. the A+ rating in the long-term issuer credit, and the aa+ rating in the stand-alone credit profile, or rating specific to the TMG, net of any influence from the national government.

## < Liquidity >

- TMG bonds account for some 5% of the publicly offered local government bonds by amount issued, and some 8% by amount outstanding.

## BIS risk weighting

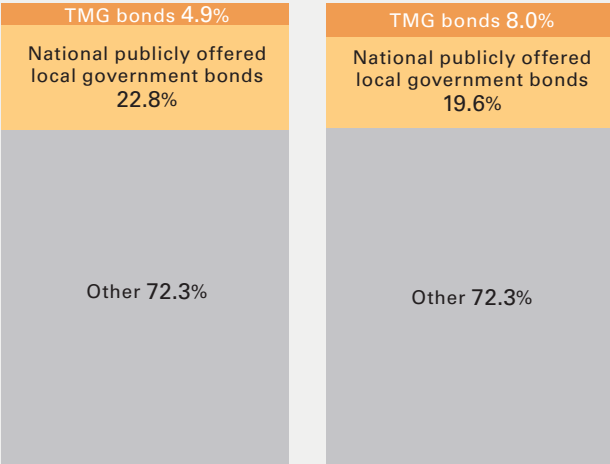
Japanese govt bonds	Govt-backed bonds	TMG bonds	FILP agency bonds	Bank debenture Finance bonds
0%	0%	0%	10%	20%

## Rating of TMG bonds

Issuer credit rating	Stand-alone credit file
A+	aa+
(Capped by the national government's rating)	

Rating obtained from S&P Global Rating Japan Inc.

## Publicly offered local government bond market (FY2024)



Amount of issue

Amount outstanding

\*Excluding citizen participatory-type public market offering bond.

