



City of Kawasaki

Investor Presentation October 2010



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



Contents



I am Takao Abe, Mayor of Kawasaki City.

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

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

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

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

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

川崎市長 阿部 孝夫



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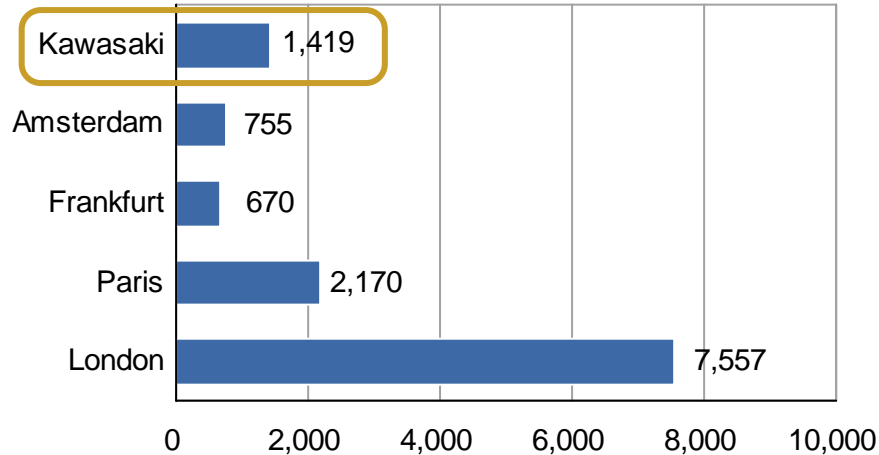
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. Overview of Kawasaki

	Kawasaki	Japan
Population	1,419,680 (08/01/2010)	127,390,000 (08/01/2010)
Population growth rate	1.4% (FY2008 FY2009)	1.4% (FY2008 FY2009)
Average age	41.1 (10/01/2009)	43.3 (10/01/2005)
Labor force	7,370,000 (51.9%) (FY2005)	65,400,000 (51.3%) (FY2005)

Population

(thousands)

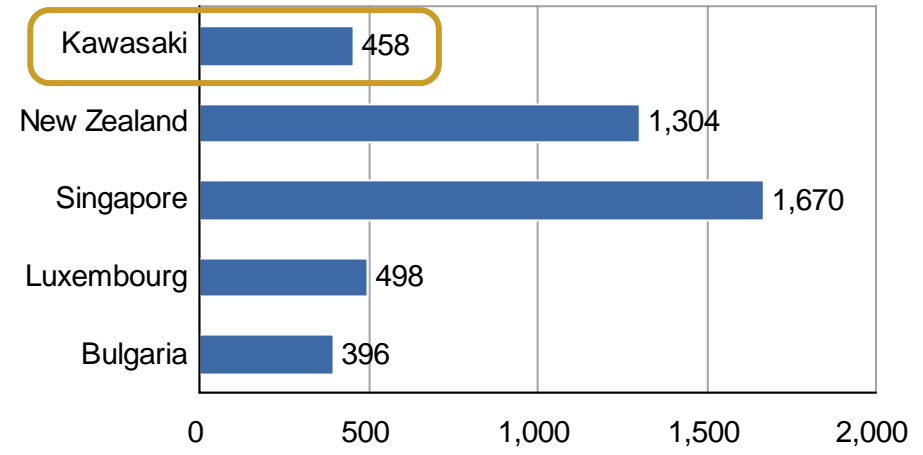


FY2007 (Kawasaki FY2010)

	Kawasaki	Japan
Households	659,507 (08/01/2010)	53,360,000 (03/31/2010)
Area	144.35 km ²	377,929.99 km ²
GDP	45.8billion dollars (5.2trillion yen) (FY2007)	4.37trillion dollars (507trillion yen) (FY2007)
Major industries	Manufacturing (steel, electronics, telecommunications, precision machinery, petrochemical) information and service	
Developing industries	New manufacturing technologies, information and telecommunications, environment, welfare and life sciences, life culture	
Foreign people	32,584 (2.3%) (06/30/2010)	2,186,121 (1.7%) (12/31/2009)
Foreign firms	115(83 headquarters : 5th in Japan)	3,500

GDP

(hundred million dollars)



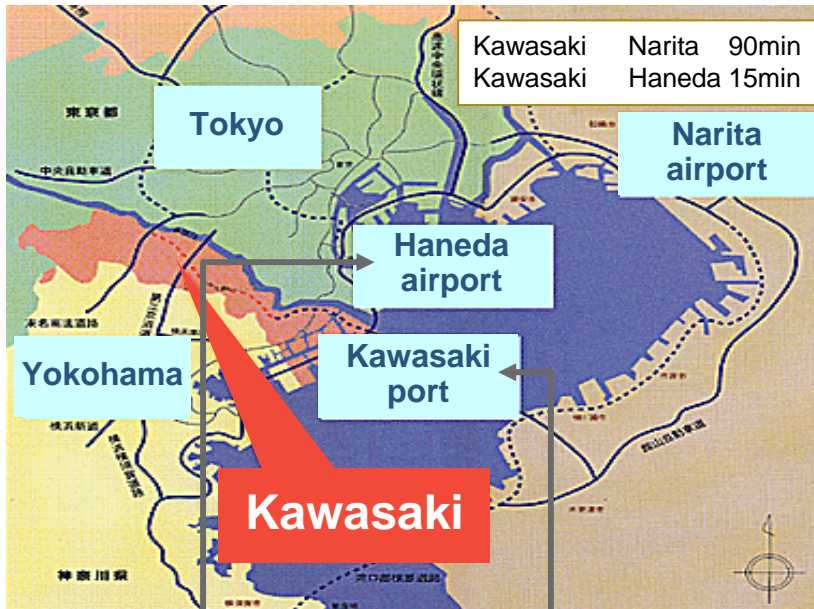
FY2007

. Characteristics and Advantages of Kawasaki

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



Potential 1. Convenient access



Kawasaki Narita 90min
Kawasaki Haneda 15min

Convenient access to airports

- 90 minutes to Narita, 15 minutes to Haneda

Lots of railways and roads

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

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

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



Haneda airport
Tokyo bay
New runway 2,500m



source : Haneda Airport Expansion Project JV

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

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

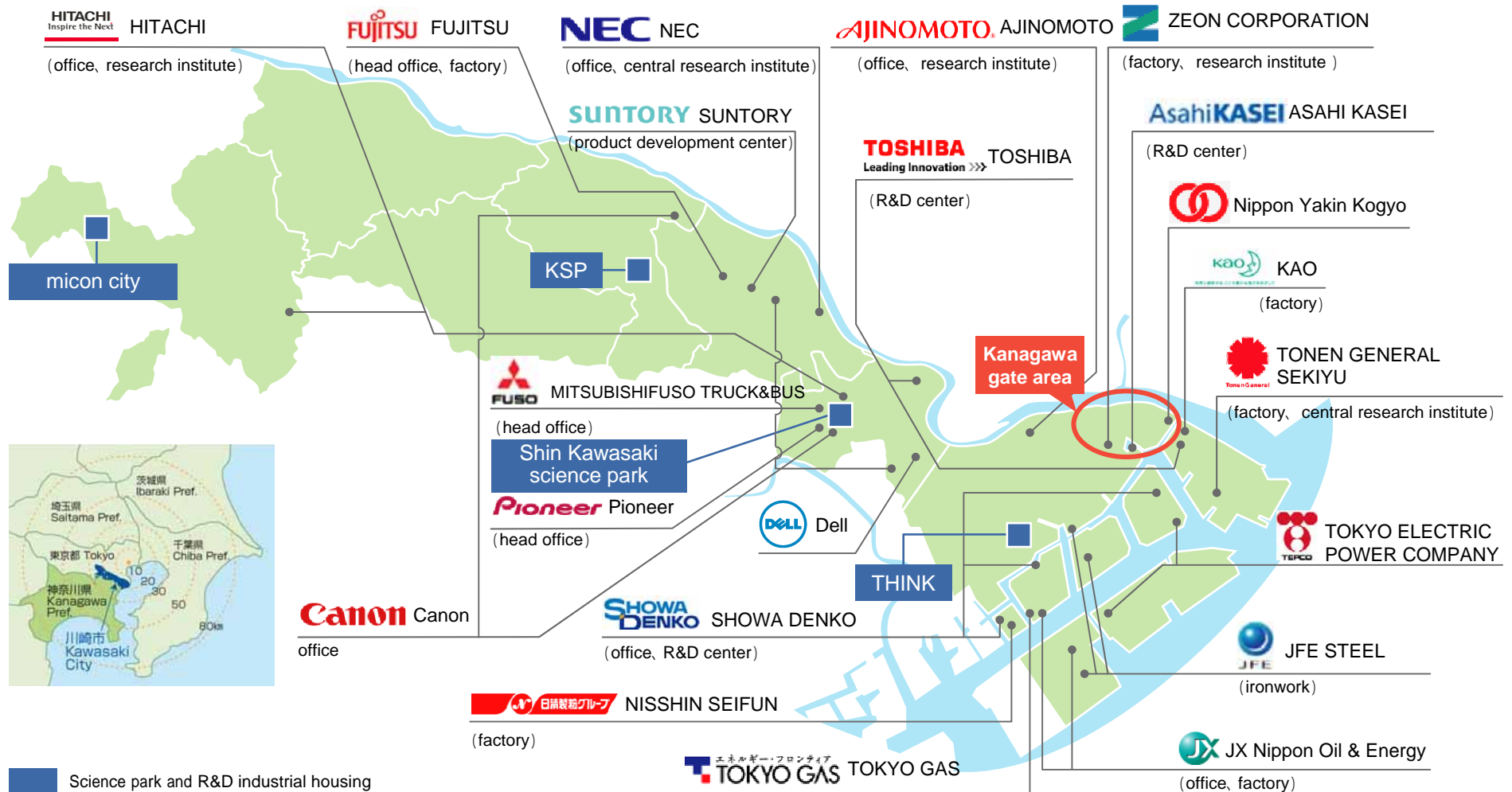


After expansion
40 flights in an hour
407,000 flights in a year
(557 flights in a day)



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

2 - 1 Global companies and major R&D institutions



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

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

Kanagawa Science Park (KSP)

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

- The first (in 1989) and one of the largest science park in Japan
- Home to 126 firms (July, 2010)

KSP



Shin-Kawasaki Science Park (KBIC, K²)

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

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

R&D basis formation of advanced science and technology with accumulations of companies in future-oriented industries
Home to 21 firms and 8 university research projects (July, 2010)
Home to 8 university research projects (July, 2010)

KBIC



Techno Hub Innovation Kawasaki (THINK)

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

- (Led by private organization)
- Home to 49 firms (July, 2010)

Th!nk
Techno Hub
Innovation
Kawasaki



2 - 3 Approach of General specific district of international strategy (tentative name) focused on Kanagawa gate

Formation of international contention basis in life science · environmental area

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



(tentative name) Joint Research Center of Regeneration Medicine · New Drug Development
To be completed in March, 2011



Potential 3. Protecting the Environment

3-1 Experience in overcoming industrial pollution

Sky of Kawasaki (1967)



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

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



Sky of Kawasaki (now)



Air condition has been improved by various measures.

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

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

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

Promotion of CO2 reductions by collaboration among various entities



One of Japan's largest mega-solar power plants will be constructed in collaboration with companies along the sea (scheduled to start operating in 2011)



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



China's Paramount Leader Hu Jintao Visited JFE Group



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

Potential 4. Famous city for “art and culture”

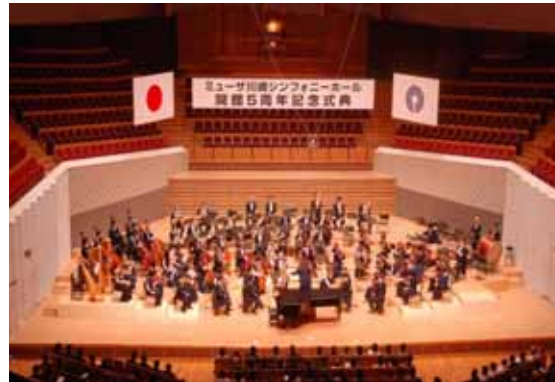
Kawasaki : City of music



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



KAWASAKI MUTON



Wine-yard-style hall with
one of Japan's largest pipe organ and
stage surrounded by seats



Bavarian Radio Symphony Orchestra
(11/2009)



Vienna Philharmonic Orchestra
(09/2009, 11/2010 perform)



Fujiko F. Fujio
Museum
(09/2011 open)

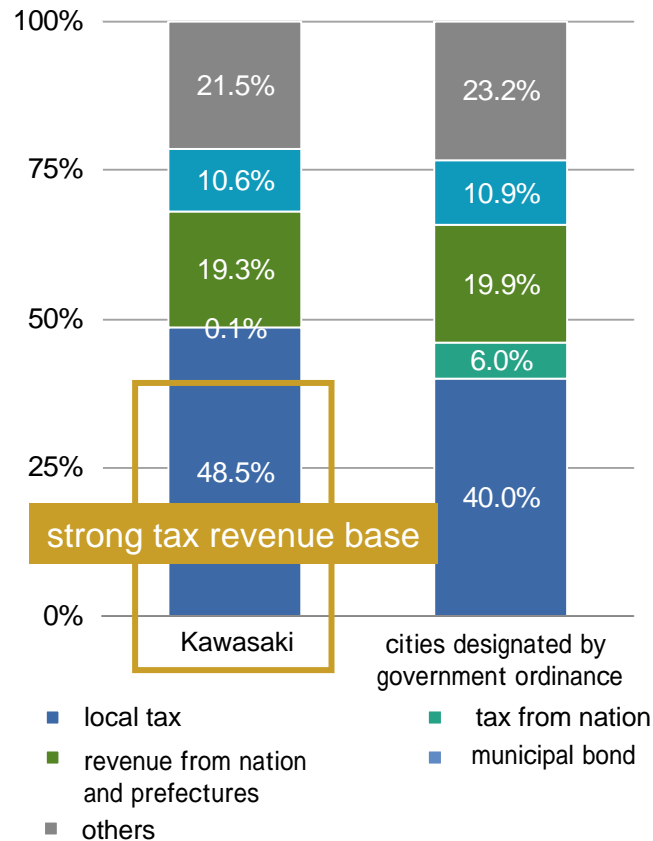


c Fujiko-Pro

. Financial Position of Kawasaki

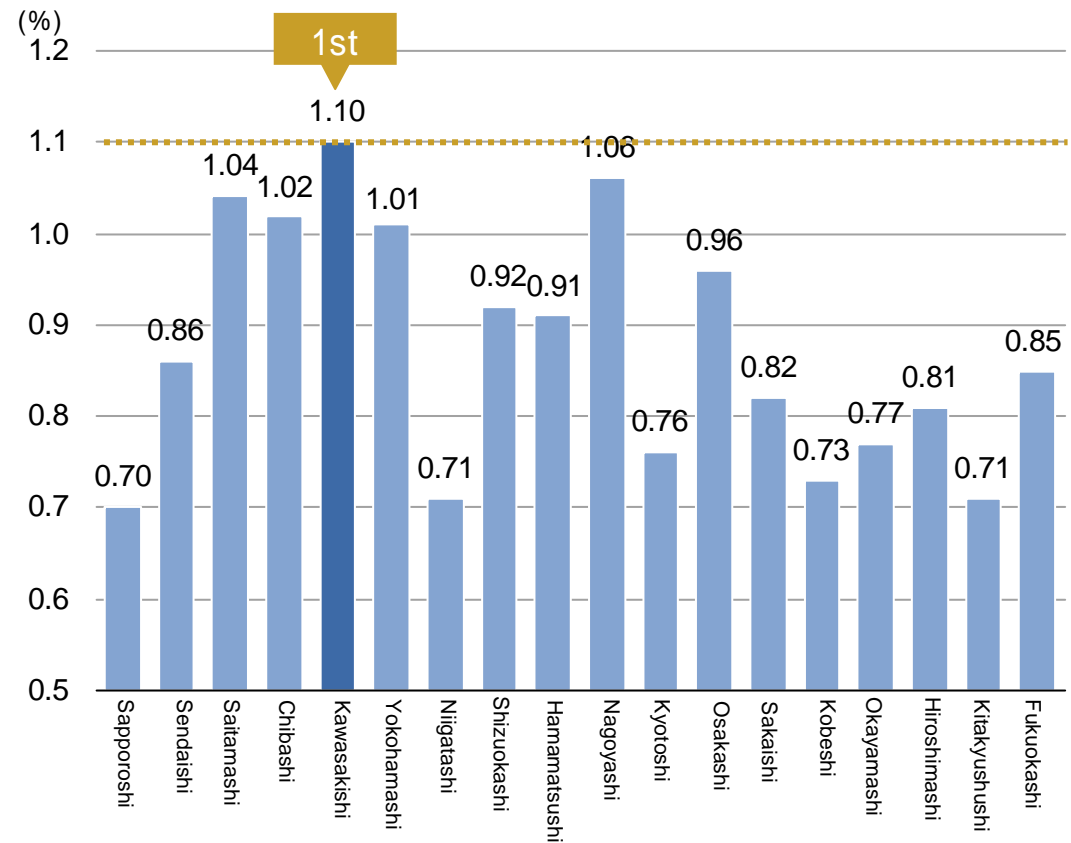
Ratio of independent source of revenue (general account)

Ratio of independent source of revenue 65.5%



Financial index

Financial index (FY2009) 1.10



* Comparison of cities designated by government ordinance based on settlement of accounts (FY2009)

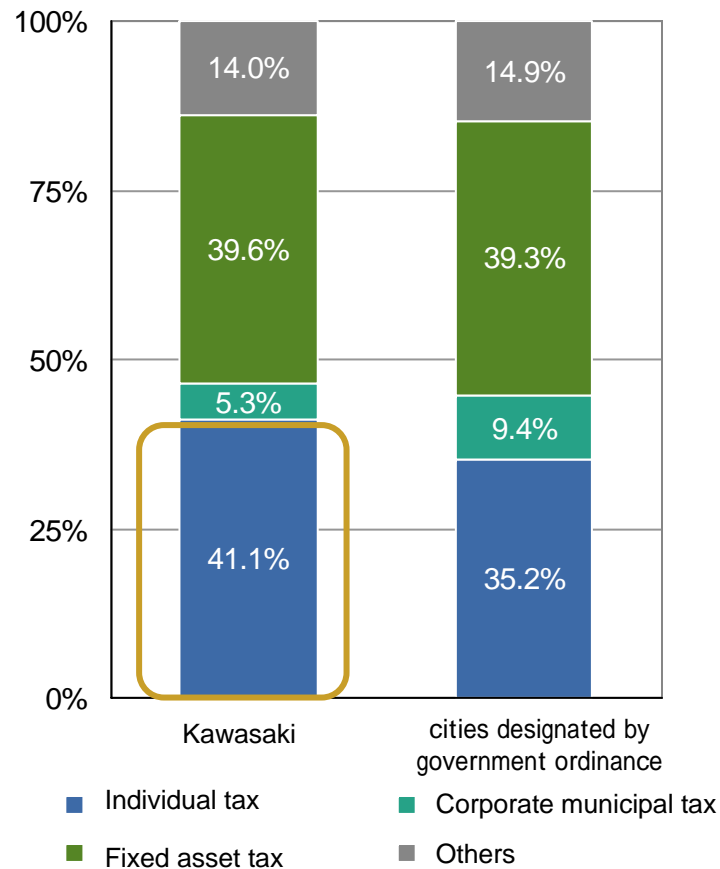
* Average score between FY2007 ~ FY2009

* Calculated by Kawasaki based on public data of each city

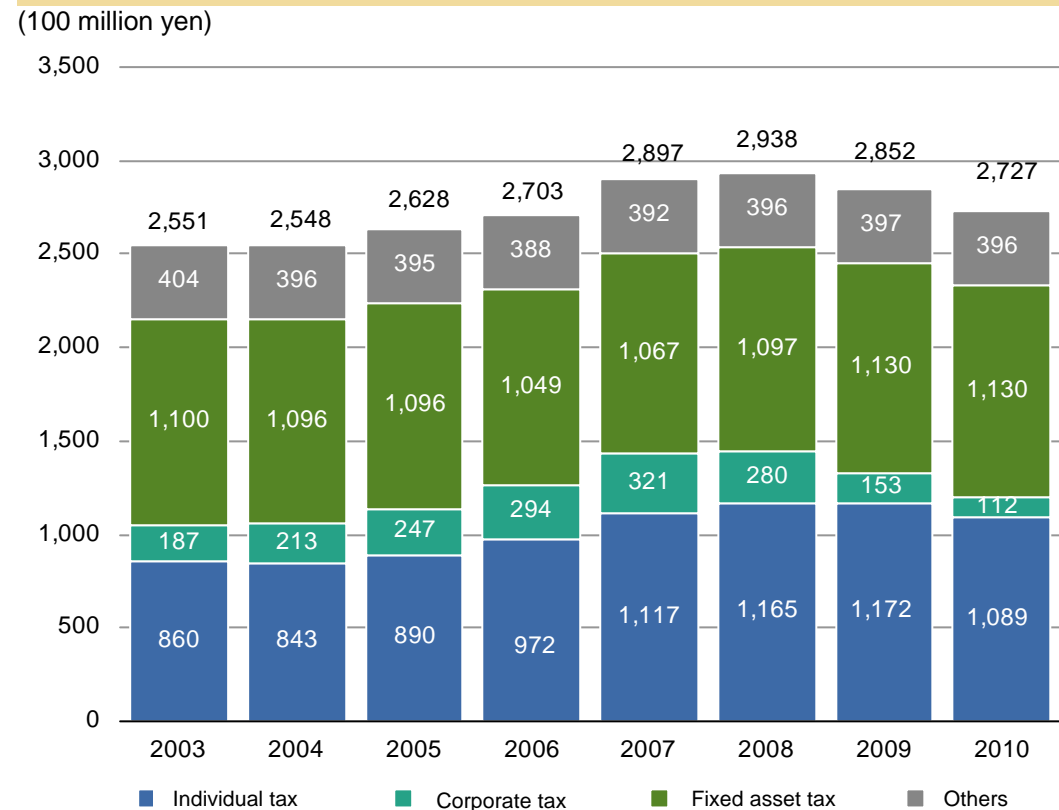
. Financial Position of Kawasaki

Analysis of Tax Revenue Structure

High percentage of individual tax



State of tax revenue



* Comparison of cities designated by government ordinance based on settlement of accounts (FY2009)

*Initial budget (FY2010)

IV. Kawasaki City Bonds

FY2010 Kawasaki Bond Issue Plan

- Of 175.2 billion yen of all accounts, private funds are 157.1 billion yen (90%)
- The amount of public offering bonds is 100 billion yen (57%), and the amount of Kawasaki individual bonds is 70 billion yen (40%)
- The amount of private placement bonds is 57.1 billion yen (33%)

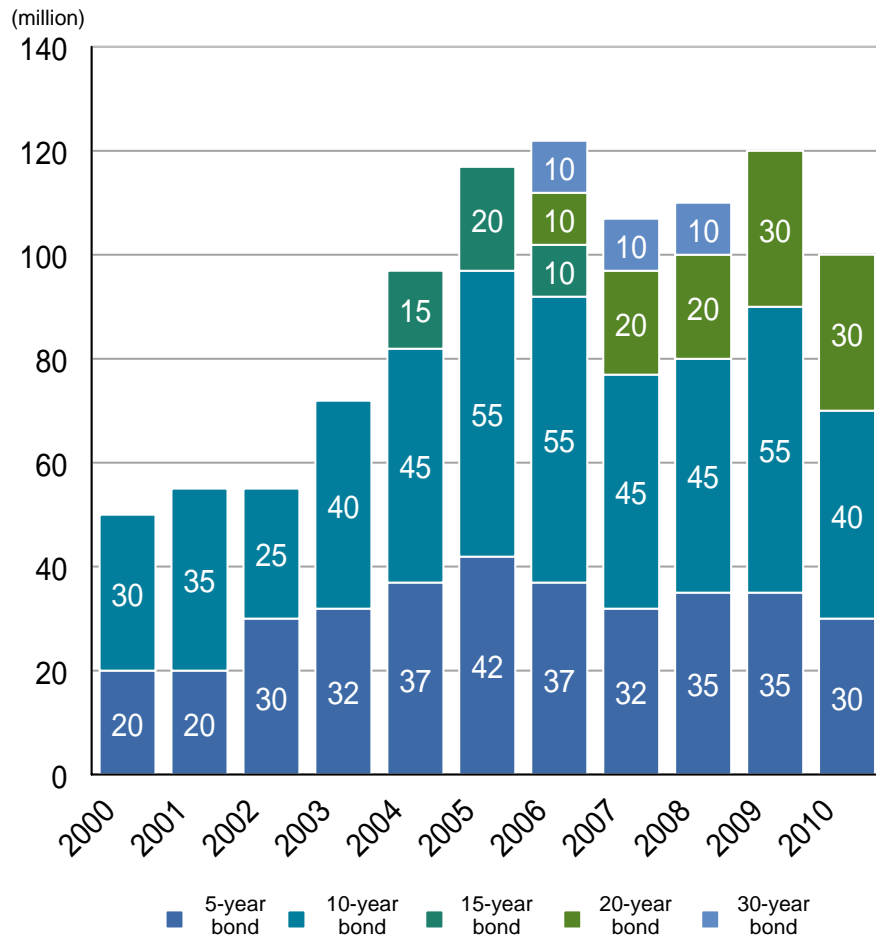
Category			Term (year)	Sum	2010							2011			TBD		
					4	5	6	7	8	9	10	11	12	1	2	3	4
public offering bond	individual bond	Offering Public	5	300			100			100			100				
			10	100						100							
			20	200	Issue through the year × 2												
			20or30	100	Issue in the latter half of the year												
	Joint local government bond	10	300	50	50			50				50		50	50		
Subtotal			1,000														
private placement bond	Securities issue or Certificate issue		5	236								71			8		177
			10	185					75						70		50
			Super long	100													
Subtotal			521														
public funds			181														
Total			1,752														

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

IV. Kawasaki City Bonds

Kawasaki City Bonds: Liquidity and Safety

Total amounts of Kawasaki City's public offering bonds Issued



Risk Weights under BIS Standard

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

Tax-Exempt Measures for Non-Residents

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

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

Tax Exemption Scheme (J - BIEM)

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

IV. Kawasaki City Bonds

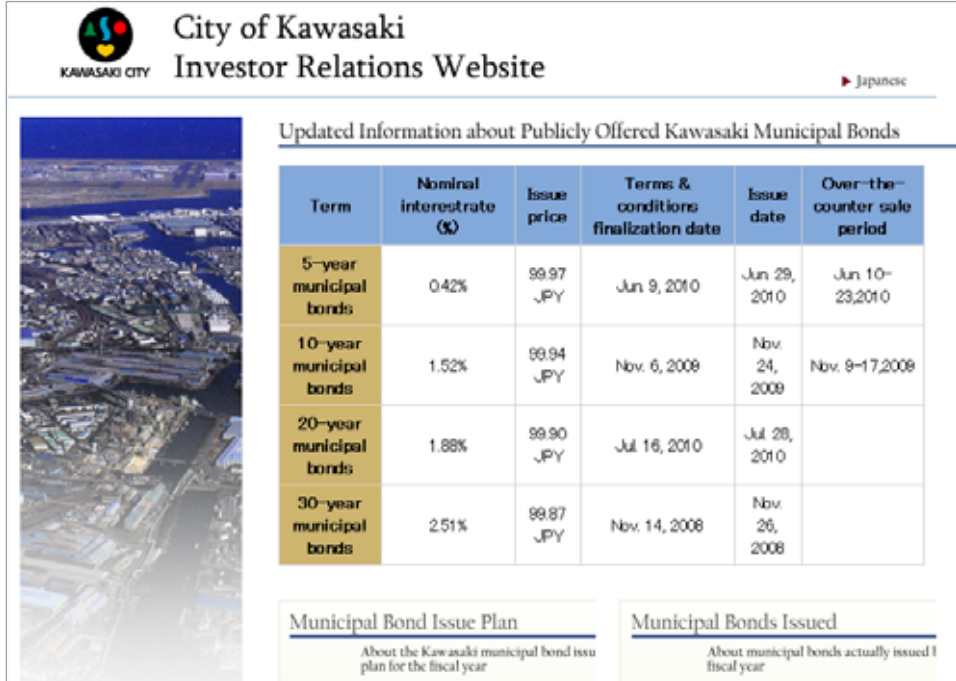
Kawasaki City Bonds: Issuance History

Recent Bond Issues

Issue number	Date of Issue	Issuance Amount (Billion yen)	Interest Rate	Issue Price (Yen)	Yield to Subscriber
5-year Bonds					
22	2009/6/30	10	1.00%	99.98	1.004%
23	2009/9/30	15	0.72%	99.99	0.722%
24	2010/1/28	10	0.61%	99.98	0.614%
25	2010/6/29	10	0.42%	99.97	0.426%
10-year Bonds					
81	2009/5/28	15	1.57%	99.93	1.578%
82	2009/11/24	10	1.52%	99.94	1.527%
20-year Bonds					
6	2009/5/26	10	2.21%	99.88	2.218%
7	2009/7/17	10	2.08%	99.96	2.082%
8	2009/11/20	10	2.20%	99.91	2.206%
9	2010/5/25	10	2.15%	99.98	2.151%
10	2010/7/28	10	1.88%	99.90	1.886%

Kawasaki City Investor Relations Website

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



City of Kawasaki Investor Relations Website ▶ Japanese

Updated Information about Publicly Offered Kawasaki Municipal Bonds

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

Municipal Bond Issue Plan
About the Kawasaki municipal bond issue plan for the fiscal year

Municipal Bonds Issued
About municipal bonds actually issued fiscal year

V. Reference Data

1 International Contribution with World-Class Technologies P.15

- Forum on Intellectual Property, International Exhibition on Environmental Engineering
- Joint Water Resources Project with Australia

2 Financial Data P.17

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

1. International Contribution with World-Class Technologies

Forum on Intellectual Property & International Exhibition on Environmental Engineering

Asian Forum on Intellectual Property in Hong Kong

Foster the common recognition of intellectual property in Asia



Mr. Abe,
mayor of Kawasaki

December 3, 2009

Venue: Hong Kong Convention and Exhibition Center

International Exhibition on Environmental Engineering in Kawasaki 2010



Held in Kawasaki City
on February 4 and 5, 2010

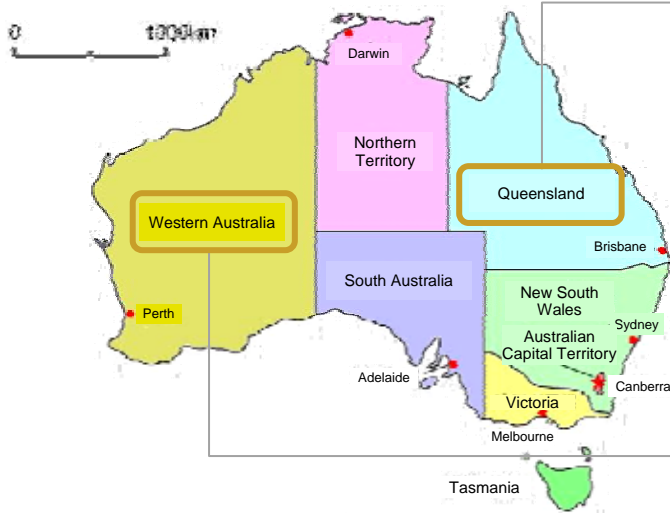
Participants	124 groups 211 booths
No. of visitors	10,500
No. of foreign visitors	250

- Environmental professionals gathered
- International business-matching opportunity

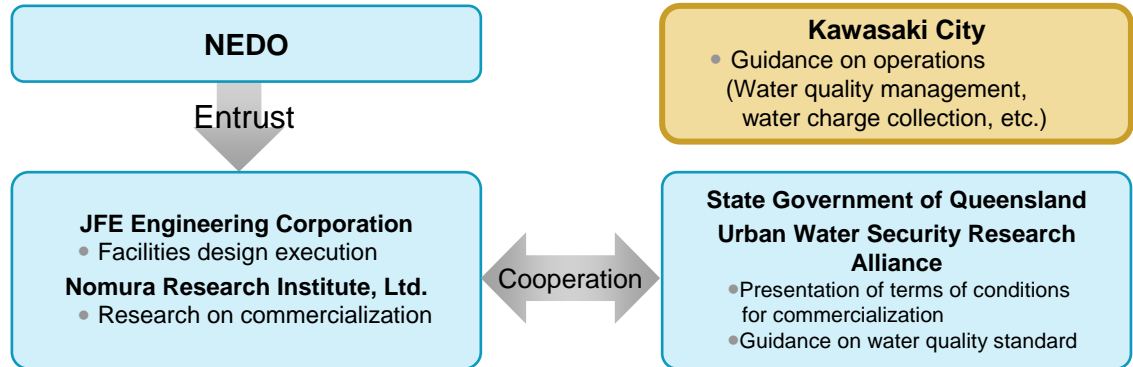
*Next exhibition will be held
in February 2011.

1. International Contribution with World-Class Technologies

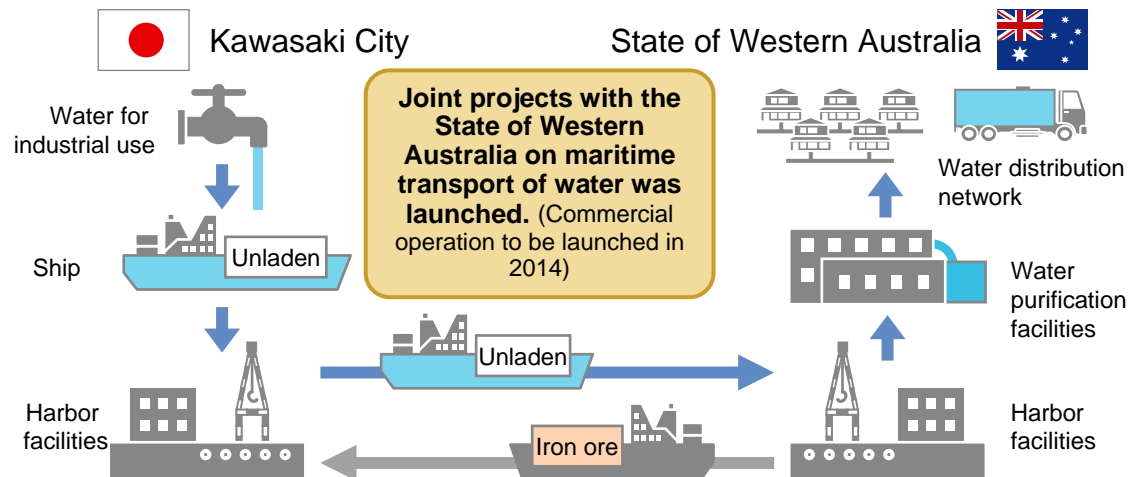
Water Resources Project with Australia



Cooperation in the Water Business of the State of Queensland



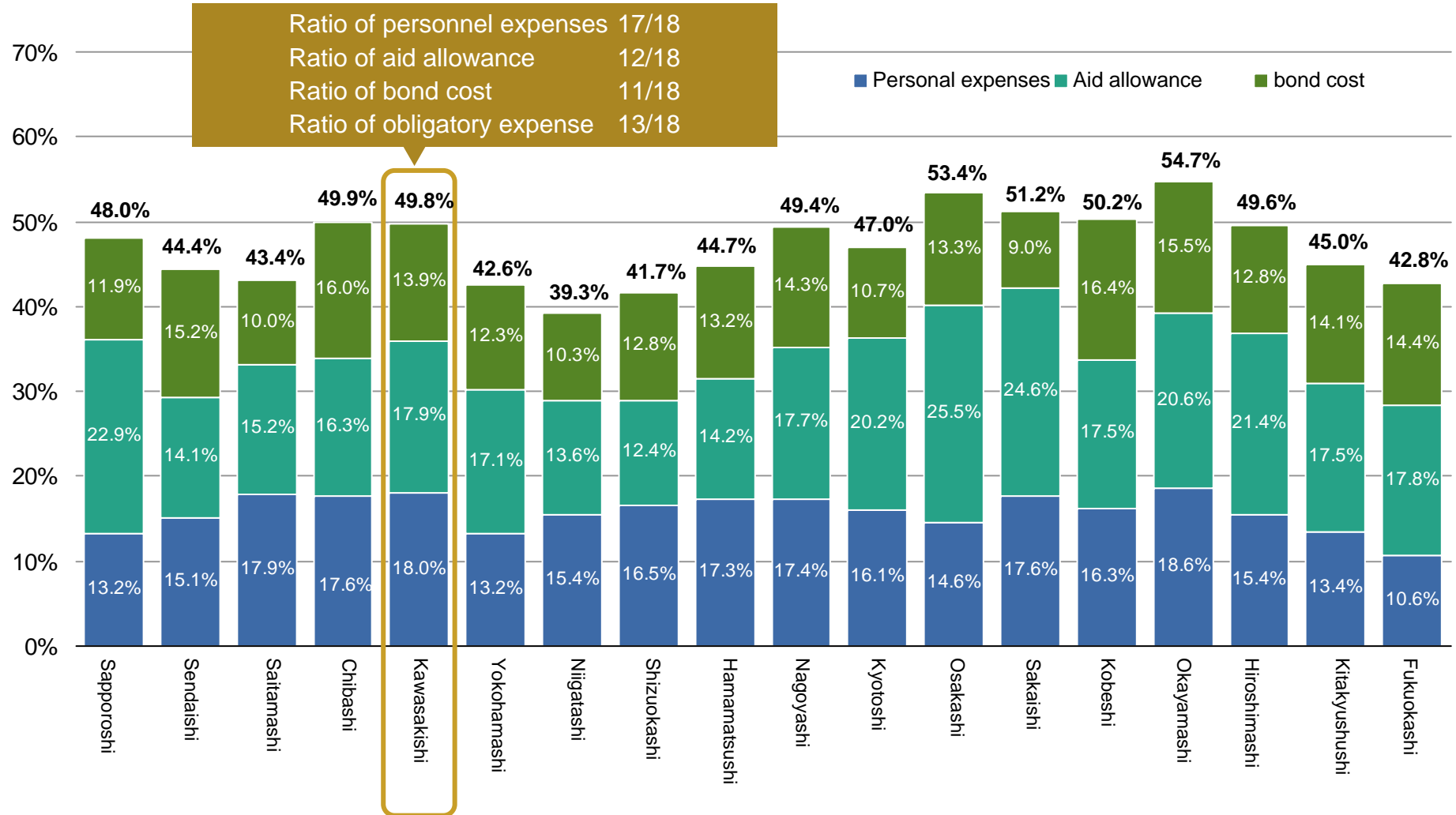
Joint Maritime Transport Project with Western Australia



A press conference was held on July 23, 2009. Representatives from JFE Engineering, Kawasaki City and the State of Queensland in Japan.

2. Financial Data

Analysis of Expenditure Structure (general account)



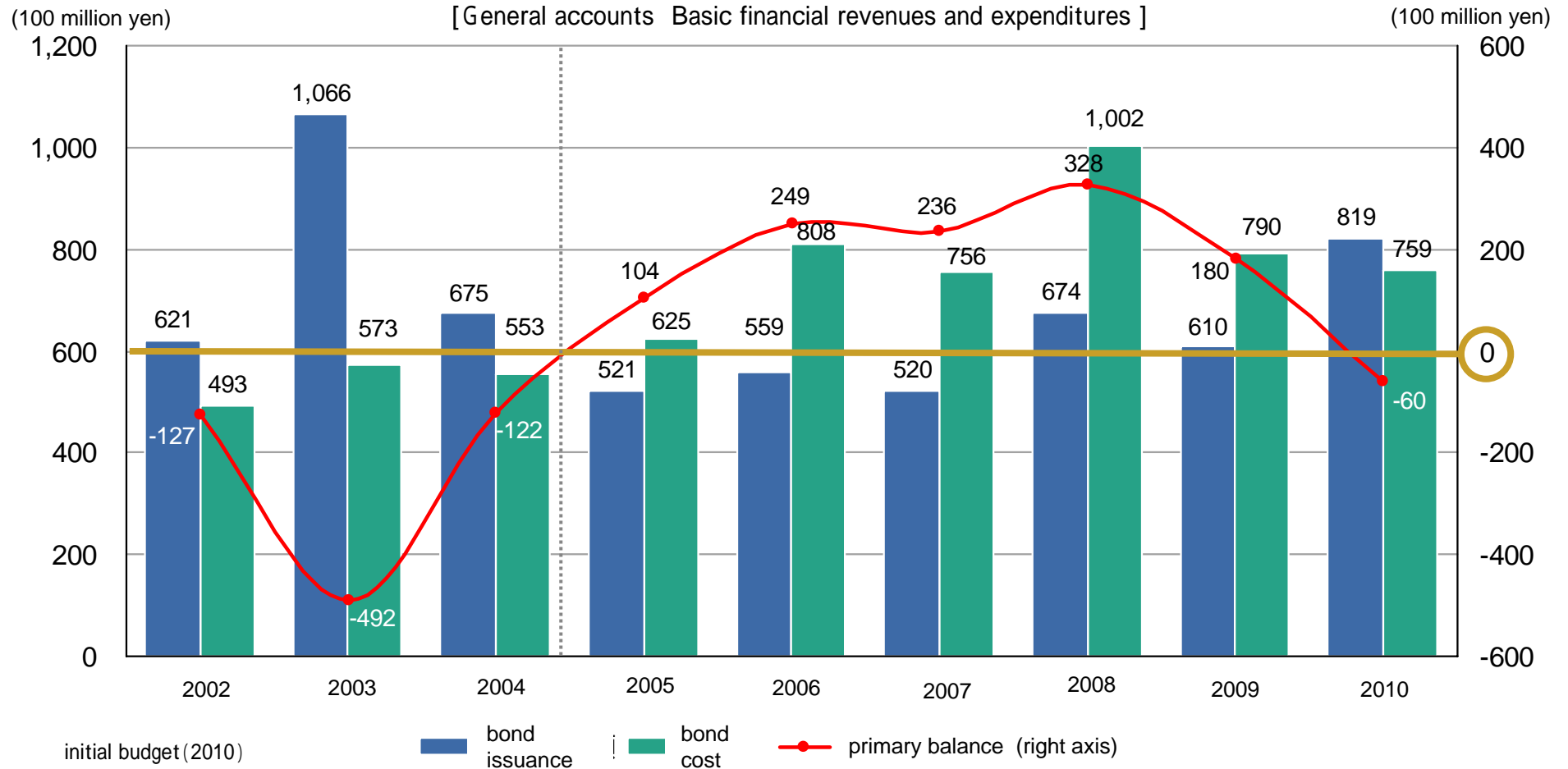
*Cities designated by government ordinance (FY2009)



2. Financial Data

Primary Balance

Positive scores between FY2005 and FY2009



2. Financial Data

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

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

Fiscal Health Assessment	FY2009	FY2008	The early financial soundness criterion	The financial Rebuilding Criterion
Real deficit ratio	- %	- %	11.25%	20.00%
Consolidated real deficit ratio	- %	- %	16.25%	40.00%
Real debt service ratio	13.4%	15.6%	25.0%	35.0%
Future burden ratio	137.4%	133.9%	400.0%	

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

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

2. Financial Data

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

1 Real deficit ratio

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

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

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

- FY2009 : 311.9bn yen

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

The early financial soundness criterion

11.25%

The financial Rebuilding Criterion

20.00%

2 Consolidated real deficit ratio

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

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

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

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

The early financial soundness criterion

16.25%

The financial Rebuilding Criterion

40.00%

2. Financial Data

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

3 Real debt service ratio

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

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

A: Redemption of principal and interest of local bonds

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

C: Special resources for principal, interest repayment source

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

E: Standard financial scale

Kawasaki City		The early financial soundness criterion	The financial Rebuilding Criterion
2009	2008		
13.4%	15.6%	25.0%	35.0%

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

2. Financial Data

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

4 Future burden ratio

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

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

A: Future burden amount

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

B: Resources that can be used for future burden ratio

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

C: Standard financial scale

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

Kawasaki City		The early financial soundness criterion
2009	2008	
137.4%	133.9%	400.0%

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

2. Financial Data

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

5 Capital Shortage Ratio

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

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

The early financial soundness criterion

20.0 %

- Public enterprise accounting of Kawasaki City

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

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

2. Financial Data

Ordinary Account Balance Sheet of Kawasaki City (5 years)

The Ministry of Internal Affairs and Communications (MIC) Method

(100 million yen, %)

Category		FY2004	FY2005	FY2006	FY2007
Assets	1. Tangible fixed assets	19,067	19,272	19,460	19,624
	2. Investments	1,929	1,967	2,008	2,104
	3. Current assets	337	371	276	298
	Total assets	21,333	21,610	21,744	22,026
Liabilities	1. Fixed liabilities	9,102	9,051	8,887	8,486
	(of which local government bonds)	8,306	8,259	8,119	7,763
	2. Current liabilities	475	561	579	870
	Total liabilities	9,577	9,612	9,466	9,356
Net assets	1. National treasury disbursement	2,299	2,360	2,373	2,416
	2. Prefectural government treasury disbursement	248	243	238	233
	3. General fund, etc.	9,209	9,395	9,667	10,021
	Total net assets	11,756	11,998	12,278	12,670
Index	Net assets to total assets ratio (%)	55.1	55.5	56.5	57.5

Amended MIC Method Model

(100 million yen, %)

Category		FY2007	FY2008	Increase (Decrease)	Change (%)
Assets	1. Public assets	43,073	43,439	366	1
	2. Investments	2,210	1,990	(220)	(10)
	3. Current assets	799	1,235	436	55
	Total assets	46,081	46,664	583	1
Liabilities	1. Fixed liabilities	9,110	9,201	91	1
	(of which local government bonds)	8,160	8,322	162	2
	2. Current liabilities	1,301	1,309	8	1
	Total liabilities	10,411	10,510	99	1
Net assets	1. National and prefectural subsidies for public assets improvement	2,822	2,858	36	1
	2. General revenue of public assets improvement	35,746	35,768	22	0
	3. Other general revenue, etc.	(2,904)	(2,501)	403	(14)
	4. Revaluation difference of assets	6	29	23	383
	Total net assets	35,670	36,154	484	1
Index	Net assets to total assets ratio (%)	77.4	77.5	0.1	-



2. Financial Data

Comprehensive Balance Sheet of Kawasaki City (as of March 31, 2009)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Simple total	Combined total	
Assets	1. Public assets	43,439	1,244	10,506	55,189	55,189
	Tangible fixed assets	43,344	1,244	10,455	55,043	55,043
	Intangible assets	0	0	51	51	51
	Saleable assets	95	0	0	95	95
	2. Investments, etc.	1,990	260	170	2,420	1,524
	Investment and equity balance	1,377	0	0	1,377	481
	Loans receivable	192	37	0	229	229
	Funds, etc.	322	140	0	462	462
	Long-term delinquent loans	106	98	6	210	210
	Other	0	0	165	165	165
	Non-recoverable amounts	△ 7	△ 15	△ 1	△ 23	△ 23
	3. Current assets	1,235	72	485	1,792	1,758
	Funds	119	26	326	471	449
	Accounts receivable	50	55	141	246	234
	Real estate for sale	0	0	0	0	0
	Other	1,070	0	19	1,089	1,089
	Non-recoverable amounts	△ 4	△ 9	△ 1	△ 14	△ 14
	4. Deferred accounts		0	0	0	0
	Total assets	46,664	1,576	11,161	59,401	58,471

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Simple total	Combined total	
Liabilities	1. Fixed liabilities	9,201	202	5,053	14,456	14,456
	Local public entities	8,322	201	4,900	13,423	13,423
	Affiliated entities	0	0	0	0	0
	Long-term accounts payable	66	0	0	66	66
	Allowances	813	1	153	967	967
	Other	0	0	0	0	0
	2. Current liabilities	1,309	12	758	2,079	2,045
	Amount to be redeemed in the next fiscal year	1,094	9	462	1,565	1,565
	Short-term borrowings	0	0	0	0	0
	Accounts payable	4	0	234	238	204
	Retirement benefits payable in the next fiscal year	148	1	23	172	172
	Allowance for bonus	63	2	17	82	82
	Other	0	0	22	22	22
	Total liabilities	10,510	214	5,811	16,535	16,501
	Total net assets	36,154	1,362	5,350	42,866	41,970
	Total liabilities and net assets	46,664	1,576	11,161	59,401	58,471

2. Financial Data

Balance Sheets Consolidated with Affiliated Entities (as of March 31, 2009)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Third Sectors, etc.	Simple total	Combined total
1. Public assets	43,439	1,244	10,506	1,199	56,388	56,388
Tangible fixed assets	43,344	1,244	10,455	971	56,014	56,014
Intangible assets	0	0	51	228	279	279
Saleable assets	95	0	0	0	95	95
2. Investments, etc.	1,990	260	170	424	2,844	1,798
Investment and equity balance	1,377	0	0	39	1,416	456
Loans receivable	192	37	0	223	452	365
Funds, etc.	322	140	0	11	473	473
Long-term delinquent loans	106	98	6	0	210	210
Other	0	0	165	154	319	320
Non-recoverable amounts	△ 7	△ 15	△ 1	△ 3	△ 26	△ 26
3. Current assets	1,235	72	485	162	1,954	1,915
Funds	119	26	326	127	598	575
Accounts receivable	50	55	141	15	261	245
Real estate for sale	0	0	0	0	0	0
Other	1,070	0	19	20	1,109	1,109
Non-recoverable amounts	△ 4	△ 9	△ 1	0	△ 14	△ 14
4. Deferred accounts		0	0	0	0	0
Total assets	46,664	1,576	11,161	1,785	61,186	60,101

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Third Sectors, etc.	Simple total	Combined total
1. Fixed liabilities	9,201	202	5,053	1,229	15,685	15,605
Local public entities	8,322	201	4,900	1	13,424	13,424
Affiliated entities	0	0	0	834	834	754
Long-term accounts payable	66	0	0	186	252	252
Allowances	813	1	153	17	984	984
Other	0	0	0	191	191	191
2. Current liabilities	1,309	12	758	216	2,295	2,250
Amount to be redeemed in the next fiscal year	1,094	9	462	36	1,601	1,594
Short-term borrowings	0	0	0	116	116	116
Accounts payable	4	0	234	39	277	239
Retirement benefits payable in the next fiscal year	148	1	23	2	174	174
Allowance for bonus	63	2	17	1	83	83
Other	0	0	22	22	44	44
Total liabilities	10,510	214	5,811	1,445	17,980	17,855
Total net assets	36,154	1,362	5,350	340	43,206	42,246
Total liabilities and net assets	46,664	1,576	11,161	1,785	61,186	60,101

2. Financial Data

Administrative Cost Statement (Ordinary Account)

Amended MIC Method Model

[Administrative Cost]

(100 million yen, %)

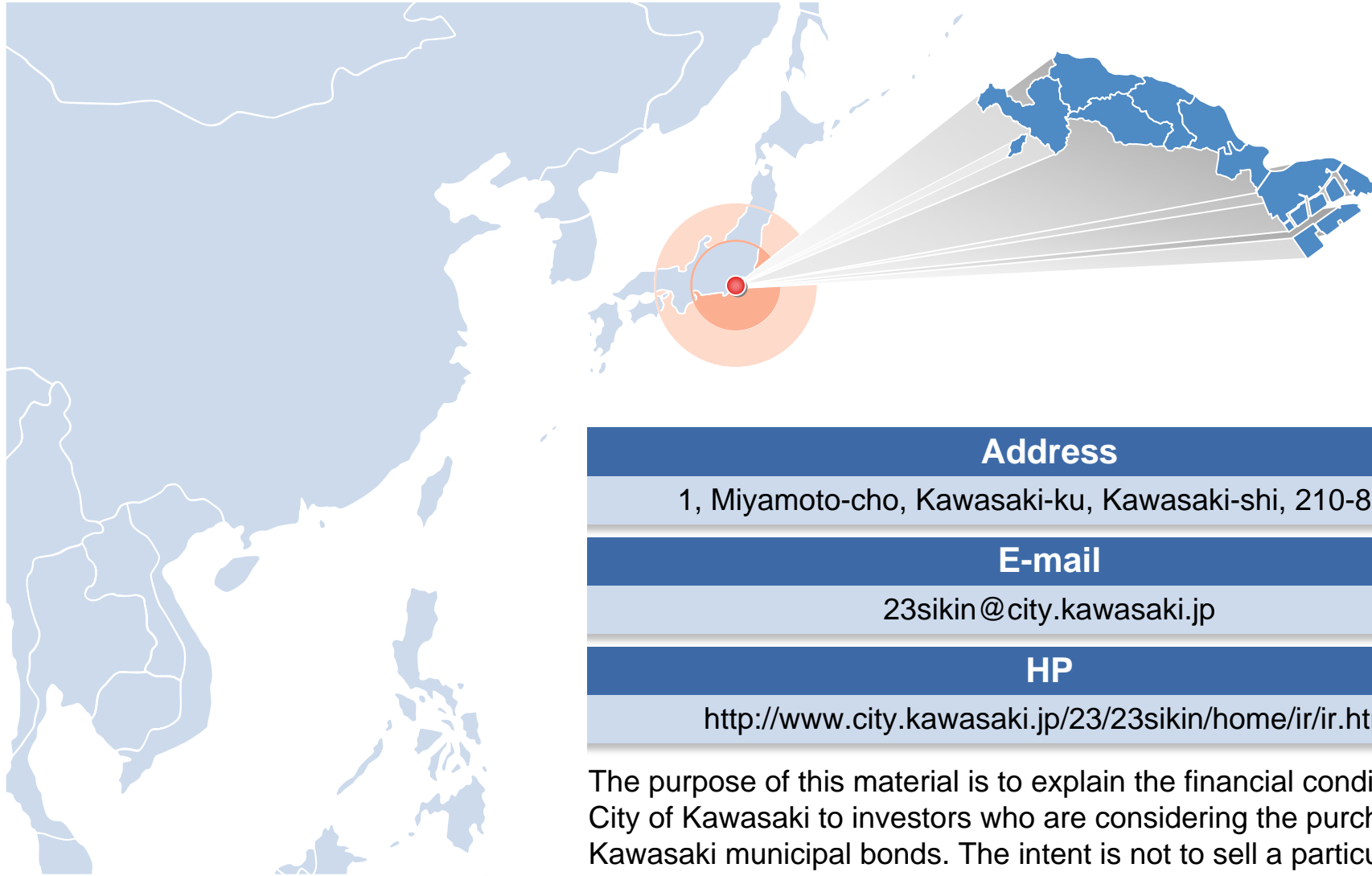
[Ordinary Revenue]

(100 million yen, %)

Item/Fiscal year	FY2007		FY2008		
	Amount	%	Amount	%	
Cost on personnel	(1) Personnel cost	896	22.7	870	22.0
	(2) Provision of allowance for retirement benefits, etc.	92	2.3	87	2.2
	(3) Provision of allowance for bonus	65	1.7	63	1.6
	Subtotal	1,053	26.7	1,020	25.7
Cost on equipment	(1) General expenses	530	13.5	524	13.2
	(2) Cost of maintenance and repairs	54	1.4	63	1.6
	(3) Depreciation	430	10.9	439	11.1
	Subtotal	1,014	25.7	1,026	25.9
Cost on transfer expenditure	(1) Social security benefit payments	905	23.0	936	23.6
	(2) Subsidies, etc.	193	4.9	192	4.9
	(3) Expenditure to other accounts, etc.	560	14.2	550	13.9
	(4) Public asset improvement subsidy to other entities, etc.	53	1.3	79	2.0
Subtotal	1,712	43.5	1,756	44.3	
Other costs	(1) Interest paid	150	3.8	150	3.8
	(2) Non-recoverable amounts	10	0.3	11	0.3
	(3) Other administrative cost	0	0	0	0.0
	Subtotal	160	4.1	161	4.1
Ordinary administrative cost (A)	3,939	100.0	3,963	100.0	

Item/Fiscal Year	FY2007		FY2008	
	Amount	%	Amount	%
1. Usage charge, commissions (B)	197	80.4	195	79.2
B/A	5.0%		4.9%	
2. Shares, contribution, donations (C)	48	19.6	51	20.8
C/A	1.2%		1.3%	
Total ordinary revenue (B+C)	245	100.0	246	100.0

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

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KAWASAKI CITY