



# Shizuoka Prefecture Investor Presentation

October 2009

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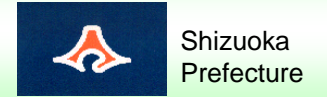
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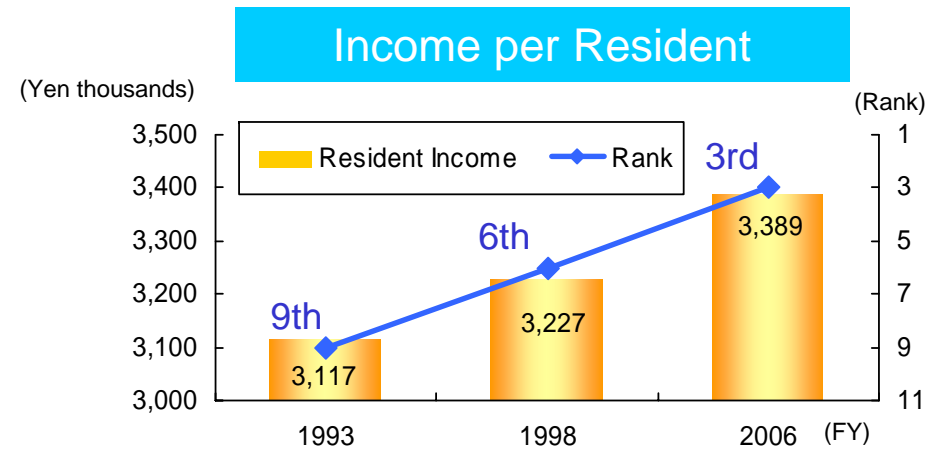
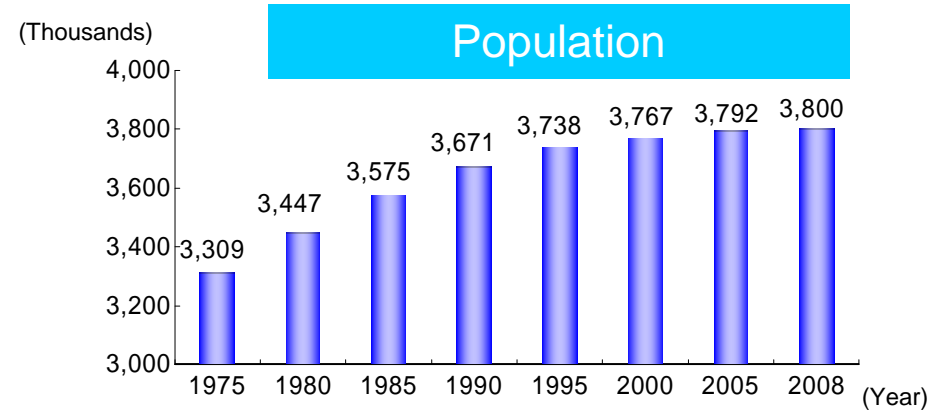
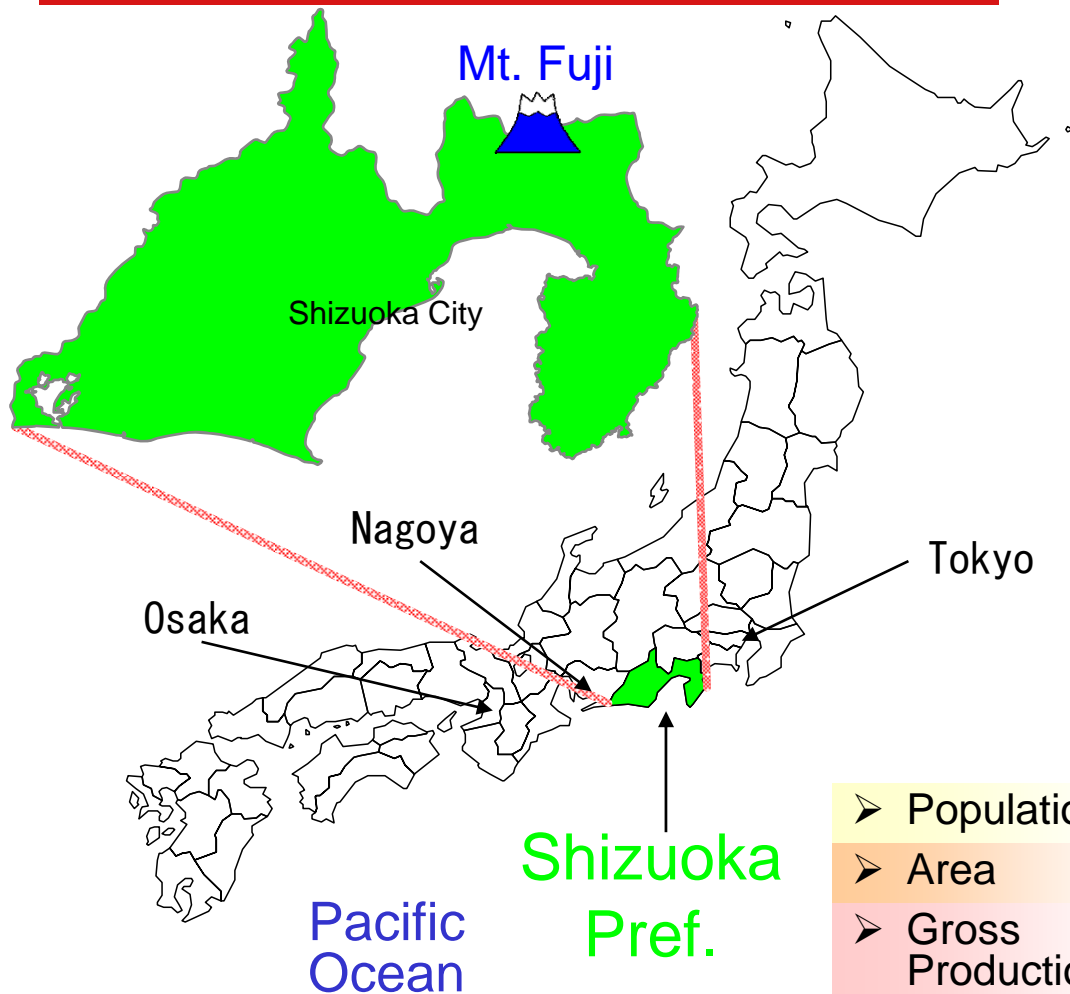
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# 1-(1) Population and Economic Scale



Home to 3% of National Population and Economy



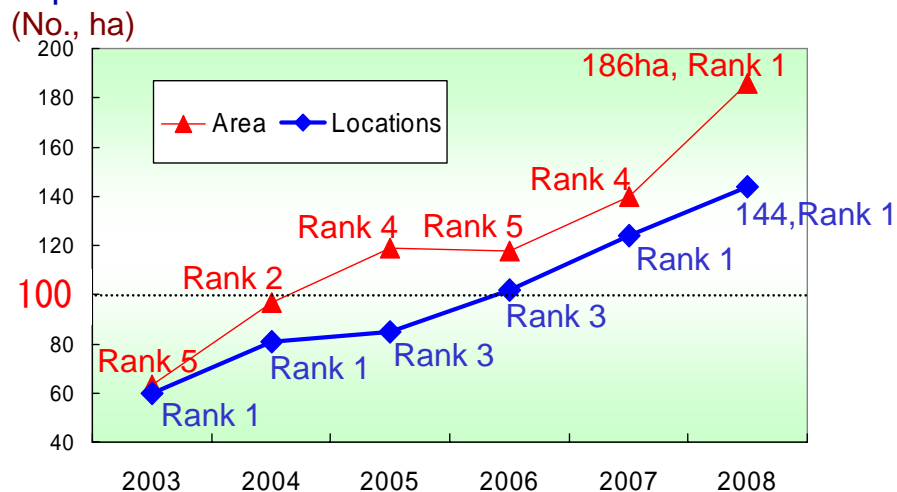
➤ Population	3.80 million (2008)	(Rank in Japan: 10)
➤ Area	7,780.33 km <sup>2</sup> (2008)	(Rank in Japan: 12)
➤ Gross Production	¥16,866.5 bn (FY2006)	(Rank in Japan: 10)
➤ Income per resident	¥3,389,000 (FY2006)	(Rank in Japan: 3)



# 1-(2) Industrial and Economic Status

A prefecture with one of Japan's strongest economic foundations

## ● Corporate Industrial Locations



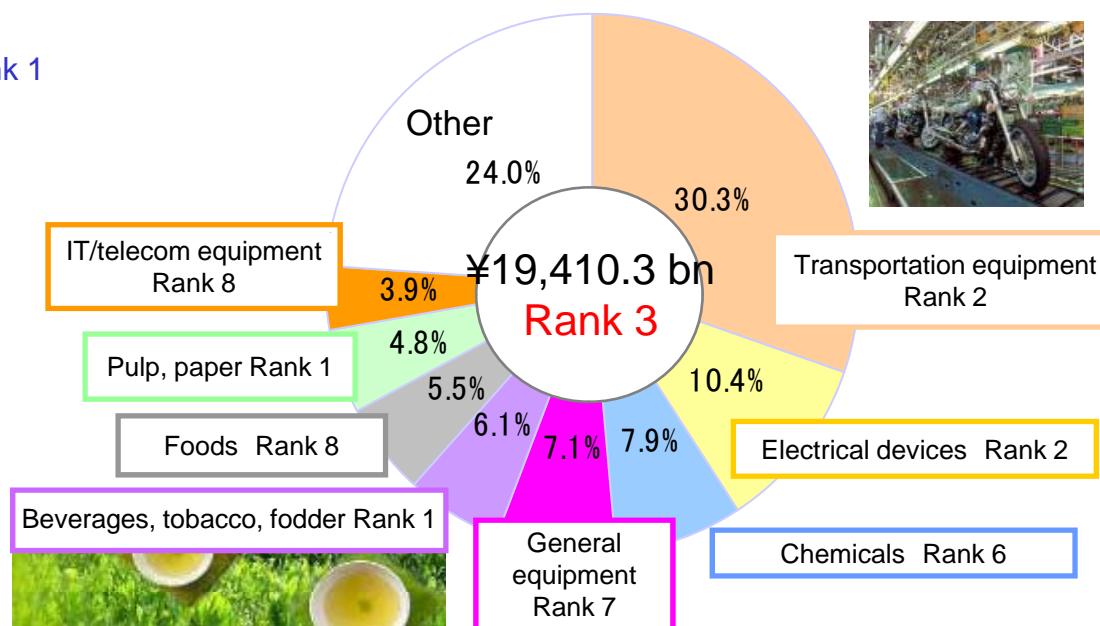
## ● Number of newly settled foreign companies

(1989~2007 accumulated total)

Segment	National	Shizuoka	Share	Rank
Total	34,075	1,250	3.7%	7 <sup>th</sup>
Foreign Company	244	25	10.2%	1 <sup>st</sup>

## ● Total Revenue from Manufactured Products

- ◆ ¥19,410.3 billion Rank: 3rd in Japan (2007)
- ◆ Well-balanced industrial composition



## ◇ Why companies choose Shizuoka

- Favorable access (Tomei Express, Shinkansen, key ports)
- Aggregation of related companies (Local corporations with advanced technology)
- Low land prices, warm climate, rich in water resources



# 1-(3) Shizuoka's No.1 in Japan

Nature	Mt. Fuji	The Highest Mountain in Japan	Sports	J1 soccer players' Hometown	Number of players_No.1
	Suruga Bay	The Deepest Bay in Japan		Health & Living	Child-raising Assistant Center
Green Action	Eco-action 21	Number of entitled businesses_No.1	Industrials		Empowerment to local Municipalities
Agricultural and Marine Products	Tea	Amount of production_No.1		Medical Goods	Amount of production_No.1
	Greenhouse Melon	Executing rate_No.1		Photomultiplier	Amount of production_No.1
Sightseeing	Hotel Japanese Inn	Number of hotels and inns_No.1		Piano	Shipment value_No.1
			Plastic Model	Shipment value_No.1	

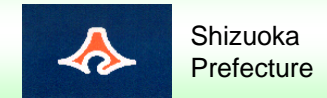
# 2-(1) Building a Transportation Infrastructure



Shizuoka  
Prefecture

## Transportation Infrastructure to Support the Next Generation





# 2-(2) Mt. Fuji Shizuoka Airport

## Direct Access from Asia

### Operating with a 2,500 meter long runway



# 3-(1) Fiscal Budget

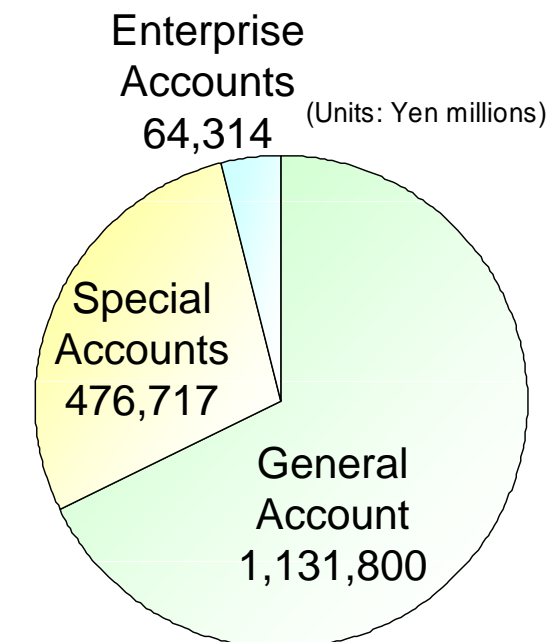


- ◆ Shizuoka Prefecture has a general account, 14 special accounts, and 4 enterprise accounts
- ◆ The budget for the general account amounts to ¥1,131.8 billion

## Summary of Shizuoka's Initial FY2009 Budget

(Units: Yen millions, %)

Category	Beginning of FY2009	Beginning of FY2008	Change	Growth Rate
General Account	1,131,800	1,129,800	2,000	0.2
Mandatory Exp	638,068	627,588	10,480	1.7
Investment Exp	181,417	205,072	(23,655)	(11.5)
Special Accounts	476,717	438,339	38,378	8.8
Enterprise Accounts	64,314	107,031	(42,717)	(39.9)
Total	1,672,831	1,675,170	(2,339)	(0.1)





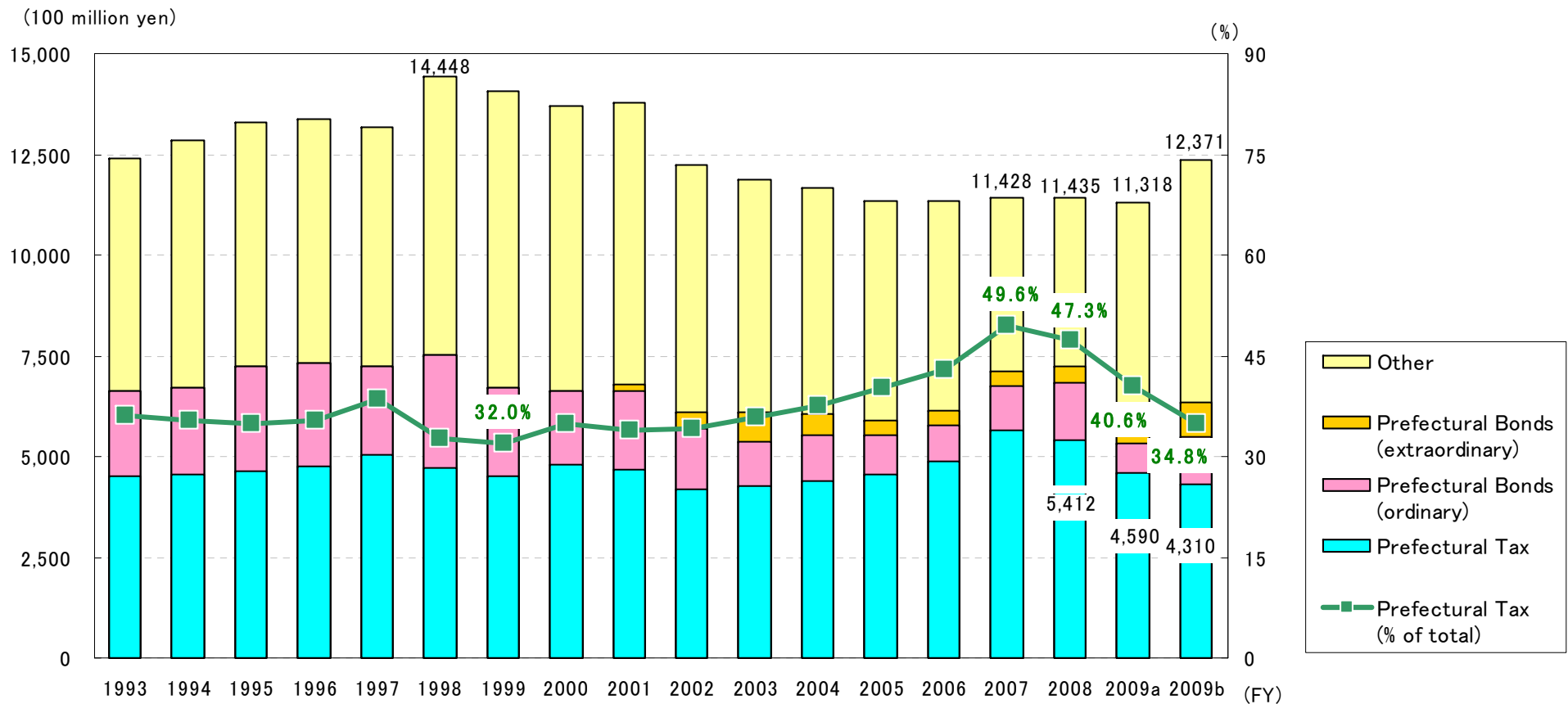
# 3-(2) Fiscal Position (Revenues)



## Securing the stability of revenues

Affected by the global recession, tax revenues are on the decline since FY2008

### General Account Revenues



\*supplementary budget used for FY2009b  
Initial budget used for FY2009a

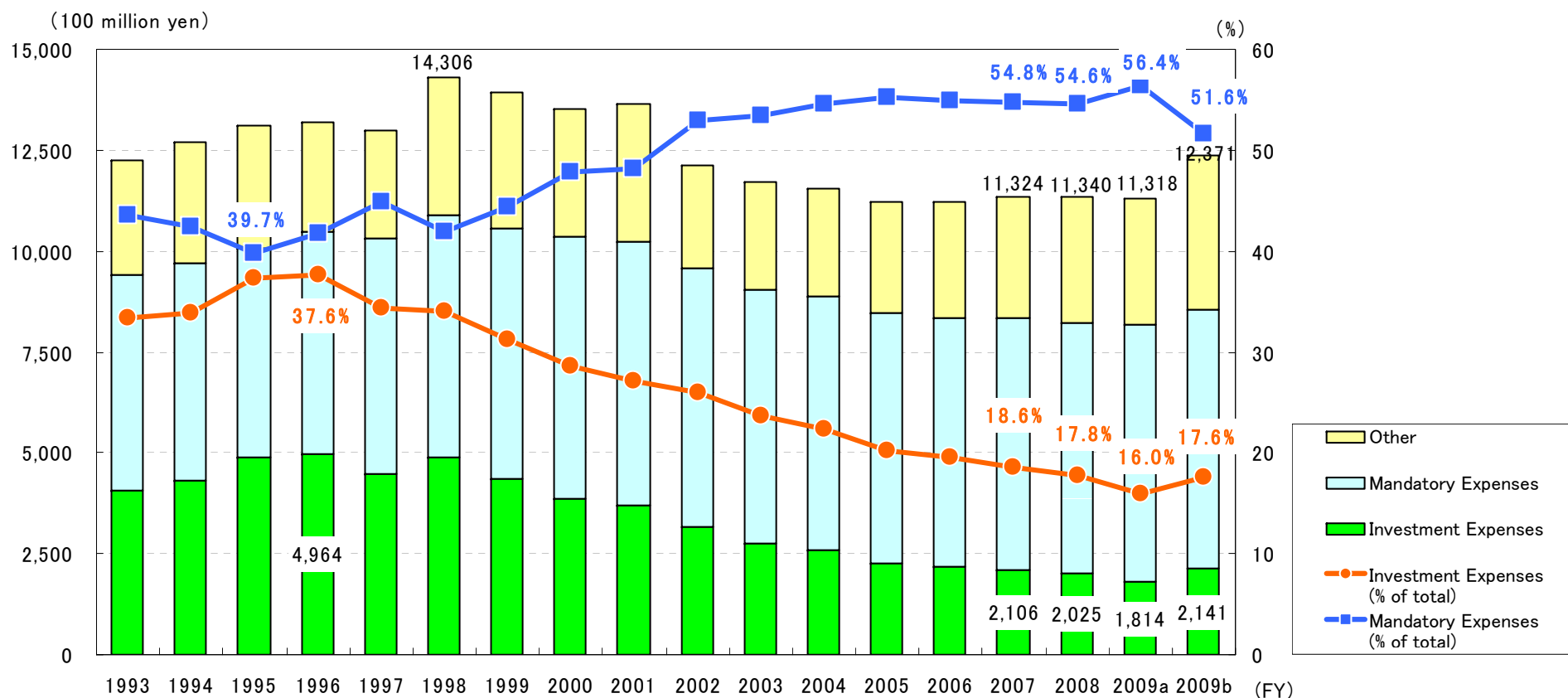
# 3-(3) Fiscal Position (Expenditures)



Holding down expenditures from FY2002

Temporary Increase in expenditures in FY2009 for economic measures

## General Account Expenditures



\*supplementary budget used for FY2009b  
Initial budget used for FY2009a



# 3-(4) Action for Economic Crisis

## Ensuring job security and Emergency Fiscal expenditure increases

### 1 Job-offers-to-seekers ratio

Dropped below the  
national average

(unit: times)

Category	FY2004	FY2005	FY2006	FY2007	FY2008	2009.2	2009.7	2009.8
<b>Shizuoka</b>	<b>1.08</b>	<b>1.17</b>	<b>1.24</b>	<b>1.20</b>	<b>0.87</b>	<b>0.56</b>	<b>0.38</b>	
National average	0.86	0.98	1.06	1.02	0.77	0.59	0.42	

### 2 Action plan – Emergency Fiscal expenditure for Economic depression since October 2008

(unit: JPY100 million)

Budget		Amount	Purpose
FY2008	Supplemental budget December	7	<b>Supporting local economic society affected by appreciation of the yen and stock price</b> Loan for medium and small enterprise
	Supplemental budget January	4	<b>Ensuring job security and emergency Financial expenditure</b> Job development and housing supply for unemployed
	Supplemental budget February	214	<b>Job security and economic policy based on government supplementary budget</b> Foundation for employment creation activity, public investment for infrastructure
FY2009	Initial budget	147	<b>Job security and economic policy for residents of Shizuoka prefecture</b> Employment creation, job training, supporting medium and small enterprises
	Supplemental budget June	721	<b>Emergency action for Economic crisis and additional investments</b> Ensuring job security, public investment for infrastructure, social security services
	Supplemental budget September	133	<b>Emergency action for Economic crisis and additional investments</b> Ensuring job security, supporting medium and small enterprises
Total		1,226	

# 3-(5) Medium-term Fiscal Outlook



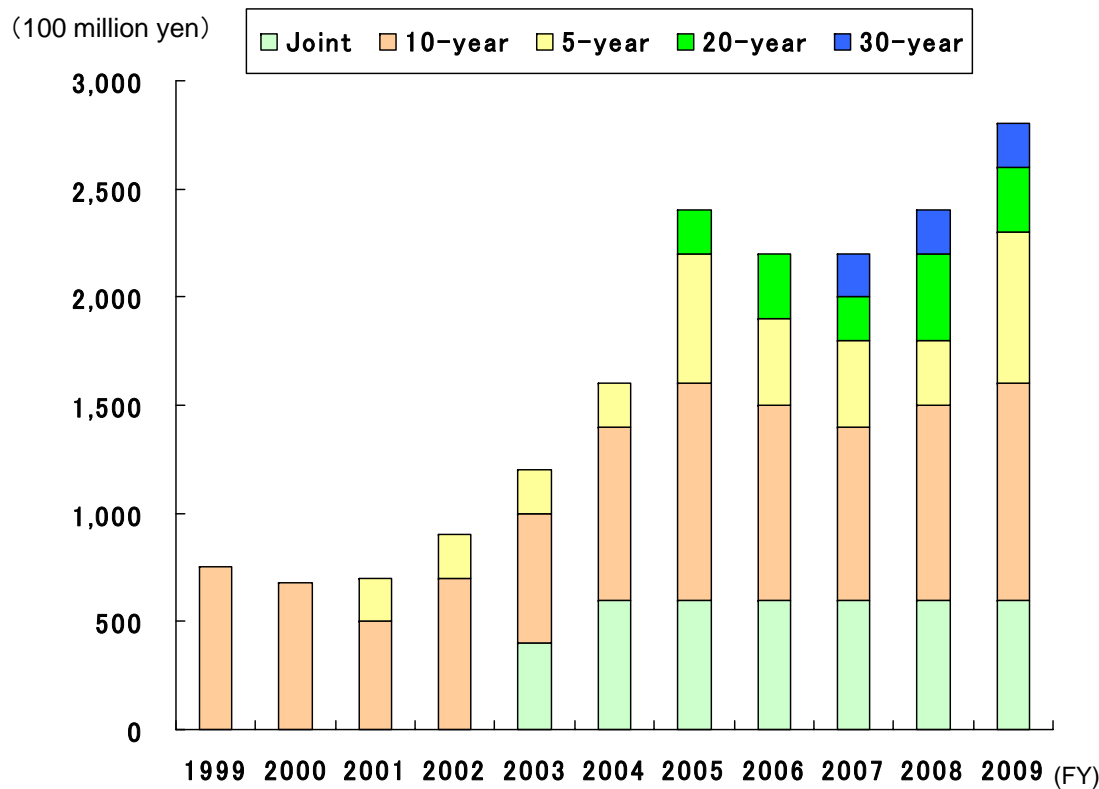
Clear target of all 4 indicators to keep fiscal health  
Expected to be able to maintain solid finance in medium term

Indicators	FY2007	FY2008	Medium-term outlook			Limits by law	
			FY2009	FY2011	FY2013	Early warning limit	Re-construction limit
Real deficit ratio	(surplus)	(surplus)	(surplus)	(surplus)	(surplus)	3.75	5.00
Consolidated real deficit ratio	(surplus)	(surplus)	(surplus)	(surplus)	(surplus)	8.75	25.00
Real debt payment ratio	11.6% ( 6 <sup>th</sup> )	11.7% (6 <sup>th</sup> )	13.3%	14.8%	13.0%	25.0	35.0
Future burden ratio	247.3% (16 <sup>th</sup> )	248.1% ( 15 <sup>th</sup> )	272.5%	284.8%	297.8%	400.0	—



# 4-(1) Prefectural Bond Issuance Plan

**FY2009 Public Bond Issuance Plan: ¥280 billion**  
 (Individual: ¥220 billion; Joint: ¥60 billion)



(Units:100 million yen)

Issuance Month		May~Sep	Oct	Nov	Mar	Total
Publicly Issued Bonds	Individual Issuances					
	5-year	200	200	200	100	700
	10-year	400	300	200	100	1,000
	20-year	200		100		300
	30-year	—		200		200
	Subtotal					<b>2,200</b>
Joint Issuances (10-year)			600			(¥5 billion per month)
<b>Total</b>			<b>2,800</b>			<b>(77.7%)</b>



# 4-(2) Management of Prefectural Bonds

## ● Appropriate Sinking Fund

### Accumulation Rule

Lump-sum payment at maturity

=accumulation of **3.7%** (1/27th) of total prefectural bond issuance after 3-year deferral period

**\*No borrowings from sinking fund to date**

## ● Credit Ratings

(Coverage initiated on 9/6/2007)

Moody's Investors  
Service

**Aa2** / stable

Rating and Investment  
Information, Inc. (R&I)

**AA+** / stable

## ■ Comments

- Relatively low debt burden
- Decreasing trend in debt owing
- Administrative and fiscal operations believed to be reliable

- The solid economic foundation
- Steady progress in restoring fiscal health



# Thank you

## Shizuoka Prefecture

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