

## **Programme Information**

## **The Metropolis of Tokyo**

## PROGRAMME INFORMATION

Type of Information:	Programme Information
Date of Announcement:	21 April 2026
Issuer Name:	The Metropolis of Tokyo
Name and Title of Representative:	Koike Yuriko, Governor
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Type of Securities:	Unsecured and unsubordinated bonds
Scheduled Issuance Period:	22 April 2026 to 21 April 2028
Maximum Outstanding Issuance Amount:	Not Applicable
Address of Website for Announcement:	<a href="https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">https://www.jpx.co.jp/english/equities/products/ tpbm/announcement/index.html</a>
Status of Submission of Annual Securities Reports or Issuer Filing Information:	Not Applicable

### Notes to Investors:

1. TOKYO PRO-BOND Market is a market principally for professional investors and bonds listed on the market ("**TOKYO PRO-BOND MARKET Listed Bonds**") may involve high risk. Investors should act with responsibility and be aware of the listing qualification, timely disclosure requirements that apply to issuers of TOKYO PRO-BOND Market Listed Bonds and associated risks such as the fluctuation in market prices. Prospective investors should make an investment judgement only after having carefully considered the contents of this Programme Information.
2. The regulatory framework for TOKYO PRO-BOND Market is different in certain fundamental respects from the regulatory framework applicable to existing exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the website of Tokyo Stock Exchange, Inc. (the "**Tokyo Stock Exchange**").
3. The bonds to be issued pursuant to this programme fall within disclosure exempt securities under Article 3(1) of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"), and as such, no "specified securities information" (*tokutei shouken jouhou*) specified in Article 27-31, Paragraph 1 of the FIEA is required to be delivered or made public in respect of the offering of such bonds in Japan under the FIEA. This Programme Information therefore does not comprise a "specified securities information" (*tokutei shouken jouhou*) specified in Article 27-31, Paragraph 1 of the FIEA.
4. The Tokyo Stock Exchange does not make any representations or warranties with regard to any part of the Programme Information (including, but not limited to, whether the Programme Information (a) contains a false statement on important matters or (b) lacks a statement on: (i) important matters that should be stated or (ii) a material fact that is necessary for avoiding misunderstanding), and will not be liable to any damages or any other liabilities.
5. This Programme Information has been prepared solely by, and is the sole responsibility of, the Issuer, and its contents have not been independently verified by any Manager (as defined herein). To the

fullest extent permitted by law, none of the Managers accepts any responsibility for the contents of this Programme Information or for any other statement, made or purported to be made by any Manager or on its behalf in connection with the Issuer or the issue and offering of any bonds pursuant to the programme described herein. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Programme Information or any such statement.

## Information Relating to the Programme

Information other than those set out herein will be included in the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application published in respect of the relevant issue of bonds.

Bonds to be newly issued.....	The bonds to be issued pursuant to this programme (the " <b>Bonds</b> ") will be issued based upon the Terms and Conditions of the Bonds (the " <b>Conditions</b> ") substantially in the form set out in the Annex to this Programme Information, as modified by the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application. All undetermined items in the Annex will be determined prior to purchase by investors, and will be set out in the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application.
Credit ratings for the Bonds.....	Any rating obtained in respect of the Bonds will be set out in the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application to be subsequently disclosed.
Underwriting of the Bonds.....	<p>The names of the institutions that are expected to conclude a subscription agreement in respect of the relevant issue of Bonds (the "<b>Managers</b>") are as follows:</p> <ul style="list-style-type: none"><li>- Barclays Bank PLC;</li><li>- Crédit Agricole Corporate and Investment Bank;</li><li>- Morgan Stanley &amp; Co. International plc;</li><li>- Daiwa Capital Markets Europe Limited; and</li><li>- any other Manager specified in the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application.</li></ul>
Fiscal Agent and Registrars .....	The Issuer will appoint a fiscal agent and registrars in respect of each issue of Bonds. The identities of such fiscal agent and registrars will be set out in the applicable Issuance Conditions of the Bonds Pertaining to the Initial Listing Application to be subsequently disclosed.

## **Annex to the Programme Information**

**Subject to Completion**  
**Preliminary Offering Circular dated ●**

**Offering Circular**



**The Metropolis of Tokyo**

● ● **per cent. Bonds due** ● ●  
**Issue Price** ● **per cent.**

The above Bonds (the "Bonds") will mature on ● and may be redeemed earlier at the option of The Metropolis of Tokyo (the "Metropolis" or "Tokyo") only in the event that certain Japanese taxes are imposed on payments in respect of the Bonds, as set out in Condition 5 of the terms and conditions of the Bonds (the "Conditions", and each condition set out in the Conditions being a "Condition"). Interest on the Bonds will accrue at the rate of ● per cent. per annum from and including ● and be payable semi-annually in arrear on ● and ● in each year commencing on ● .

Applications have been made for the Bonds to be admitted to listing on the official list of the FCA (the "Official List") and to trading on the Main Market (the "Main Market") of the London Stock Exchange plc. References in this Offering Circular to securities being "listed" (and all related references) shall mean that such securities have been admitted to trading on the Main Market and have been admitted to listing on the Official List. For the purposes of such application, the Metropolis is a local or regional authority of a country or territory for the purposes of Regulation 6 (meaning of "excluded securities" in Regulation 5) of the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs") and a local or regional authority of a country or territory for the purposes of PRM 1.3.1 (*Transferable securities exempt from PRM*) of the Financial Conduct Authority ("FCA") Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM" and together with the POATRs, the "UK Prospectus Regime"). Accordingly, this Offering Circular has not been reviewed or approved by the FCA and has not been approved as a prospectus by any other competent authority under the UK Prospectus Regime. Application is also being made to Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") for the Bonds to be listed on the TOKYO PRO-BOND Market of the Tokyo Stock Exchange (the "TOKYO PRO-BOND Market").

It is expected that the Bonds will be assigned a credit rating of ● by S&P Global Ratings Japan Inc. ("S&P"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The Metropolis has been assigned (i) ● foreign currency long-term issuer rating and (ii) ● local currency long-term issuer rating by S&P. The security rating applicable to the Bonds will not necessarily always reflect that applicable to the Metropolis. The credit rating referred to above will be and the issuer ratings referred to above have been issued by S&P, which is not established in the European Union or in the United Kingdom and is not registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation") or Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the "UK CRA Regulation") but such credit rating will be and such issuer ratings have been endorsed by S&P Global Ratings Europe Limited ("S&P Europe"), which is an entity established in the European Union and registered under the CRA Regulation, and S&P Global Ratings UK Limited ("S&P UK"), which is an entity established in the United Kingdom and registered under the UK CRA Regulation.

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Bonds are being offered or sold outside the United States to non-U.S. persons by the Joint Lead Managers (as defined in "Subscription and Sale") in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds will be in registered form in the denomination of ● and integral multiples of ● in excess thereof. The Bonds will be evidenced by a global certificate (the "Global Certificate") in registered form, which will be deposited with, and registered in the name of, or a nominee for, a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") on or about ● (the "Closing Date"). Definitive certificates evidencing holdings of the Bonds (the "Definitive Certificates") will only be available in certain limited circumstances. See "Summary of Provisions relating to the Bonds while in Global Form".

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" starting on page 12. This Offering Circular does not describe all of the risks of an investment in the Bonds.**

● ● ● ●

The date of this Offering Circular is ● .

This document and the information contained herein are subject to completion and/or amendment, which may be material, without notice. The definitive terms of the transactions described herein will be described in the final version of this document. Investors should not subscribe for any securities referred to herein except on the basis of information contained in the final Offering Circular. Under no circumstances shall this document constitute an offer of, or an invitation to acquire, or the solicitation of an offer to purchase or subscribe for any of the Bonds, nor shall there be any sale of the securities referred to herein, in any jurisdiction in which such offer, solicitation or sale would be unlawful. This document may only be communicated or caused to be communicated, in the United Kingdom to a person in circumstances specified in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 in which section 21(1) of the Financial Services and Markets Act 2000 does not apply. This Preliminary Offering Circular may not be communicated or distributed to persons outside the United Kingdom other than persons to whom it may be communicated or distributed lawfully without any further action on the part of any person and in accordance with all applicable securities laws.

The Metropolis accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Metropolis, the information contained in this Offering Circular is in accordance with the facts and this Offering Circular makes no omission likely to affect its import.

To the fullest extent permitted by law, none of the Joint Lead Managers (as defined under "Subscription and Sale") accepts any responsibility for: (i) the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Metropolis or the issue and offering of the Bonds, or (ii) the acts or omissions of the Metropolis or any other person (other than the relevant Joint Lead Manager) in connection with the issue and offering of the Bonds. The Joint Lead Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement.

The Metropolis confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Other than the application for the admission of the Bonds to the Official List together with admission of the Bonds to trading on the Main Market, and the application to list the Bonds on the TOKYO PRO-BOND Market, no action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular (in proof or final form) in any jurisdiction where action would be required for such purposes.

This Offering Circular may not be used for the purposes of an offer of the Bonds to, or a solicitation for the purchase of Bonds by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or lawful. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Metropolis and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

The Bonds are exempt from the requirement for registration under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "Financial Instruments and Exchange Act") and are subject to the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Act on Special Measures Concerning Taxation"). The Bonds are not, as part of the primary distribution (*boshu*) by the Joint Lead Managers at any time, to be offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person (a "Specially-Related Party of the Metropolis") having a "special relationship" with the Metropolis (that is, currently, in general terms, a party who is directly or indirectly controlled by the Metropolis) as described in Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation or (ii) a Japanese financial institution, designated in Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation. **BY SUBSCRIBING FOR THE BONDS, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE.**

In addition, interest payments on the Bonds will generally be subject to Japanese withholding tax unless it is established that the Bonds are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Party of the Metropolis, (ii) a Japanese designated financial institution described in Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation which complies with the requirement for tax exemption under that paragraph, or (iii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator described in Article 3-3, paragraph (6) of the Act on Special Measures Concerning Taxation which complies with the requirement for tax exemption under that paragraph. See "Taxation — Japan".

The Bonds do not constitute "taxable linked securities" as prescribed by Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation (being securities for which the amount of interest is to be calculated by reference to certain indexes (as prescribed by Article 3-2-2, paragraph (8) of the Cabinet Order No. 43 of 1957, as amended relating to the Act on Special Measures Concerning Taxation) relating to the Metropolis or a Specially-Related Party of the Metropolis).

In connection with the issue or sale of the Bonds, no person has been authorised to give any information or to make any representation other than as contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Metropolis or the Joint Lead Managers.

Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained herein is correct as at any time subsequent to its date.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular and any applicable supplement to this Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

**In connection with this issue, • (the "Stabilisation Manager") (or person(s) acting on behalf of the Stabilisation Manager) may over-allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.**

**EU MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "EU MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

References herein to "U.S.\$" and "U.S. dollars" are to the currency of the United States of America, those to "€" and "EUR" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3rd May, 1998 on the introduction of the euro, as amended, and those to "¥" and "yen" are to Japanese yen.

References herein to "fiscal years" and to "FY" are to fiscal year(s) of the Metropolis commencing on 1st April of the year indicated and ending on 31st March of the following year. References herein to years not specified as fiscal years or FY are to calendar years.

In this Offering Circular, where information is presented in millions and billions, amounts of less than one million or one billion have been rounded up or down (in certain cases, to the nearest one-tenth of a million or billion), as the case may be. In this Offering Circular, where information is presented as percentages, amounts less than one-tenth of one per cent. or one-hundredth of one per cent. have been rounded up or down, as the case may be. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

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## OVERVIEW

The following is an overview of certain information contained elsewhere in this Offering Circular. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Circular. Prospective investors should also carefully consider the information set forth in "Risk Factors" below prior to making an investment decision. Capitalised terms not otherwise defined in this overview have the same meaning as elsewhere in this Offering Circular. See "The Metropolis of Tokyo", amongst others, for a more detailed description of the Metropolis.

### Overview of the Metropolis of Tokyo

Tokyo, located in the south of the Kanto Plain, roughly in the middle of the Japanese archipelago and with an area of 2,200 square kilometres as at 1st January, 2026, had a population of 14,262 thousand as at 1st March, 2026. Tokyo is the only governmental unit in Japan designated as a metropolis. Its administrative area consists of three sub-areas, each with different characteristics, comprising 23 special wards, the Tama district and a number of islands in the Pacific Ocean. The address of the Metropolis is 8-1, Nishishinjuku 2-chome, Shinjuku-ku, Tokyo 163-8001, telephone number +81-3-5321-1111.

The major urban area consists of the 23 special wards that extend around Tokyo Bay and which spread into the southern part of the Kanto Plain. Together they form one city, which is often regarded as the City of Tokyo, though each ward is administratively independent. The number of people living in this combined area is 9,939,581, or 69.7 per cent. of Tokyo's population as at 1st March, 2026. Tokyo is not only the largest Japanese city but it is also one of the largest cities in the world. The Tama district lies to the west of the 23 special wards and comprises 26 cities, three towns and one village. The islands in the Pacific Ocean that form part of Tokyo are the Izu Islands and the Ogasawara Islands. These islands have a total of two towns and seven villages.

Tokyo has been the political capital of Japan since 1603, when the Tokugawa Shogunate was established. It became the official capital in 1869, shortly after the Meiji Restoration, which ushered in the modern history of Japan. The Metropolis was created in July 1943 when the administrative authority of the City of Tokyo and that of the Prefecture of Tokyo were amalgamated.

As the capital, Tokyo is the site of the Diet and is the seat of the administrative and judicial branches of the Japanese Government. Tokyo is also the national centre of finance and commerce and has a prominent position in the intellectual and cultural life of Japan.

The growth of the population of Tokyo and the expansion of its economy, which were especially remarkable in the 1960s, have brought about an increase in the influence of the Metropolis beyond its administrative boundaries with the result that the Metropolis and three adjoining prefectures are now together referred to as the Tokyo Metropolitan Region. The population of this region amounts to 36.9 million and accounted for 29.7 per cent. of the entire population of the nation as at 1st January, 2025. About 3.4 million people travel daily into the Metropolis for occupational and educational reasons. The Metropolis and seven surrounding prefectures are together referred to as the National Capital Region.

### Selected Economic and Financial Information

#### Economy

	<u>Tokyo</u> <i>(billions of yen)</i>	<u>Tokyo's Share of Japan Total</u> <i>(%)</i>
Gross product <sup>(a)</sup> .....	¥120,219.9	20.7%
Industrial shipments <sup>(b)</sup> .....	8,552.7	2.3

#### Sources:

- (a) For fiscal year 2022. "Annual Report on Prefectural Accounts of Tokyo: FY2022" published by the Metropolis.  
(b) For calendar year 2023. "Survey of actual economic structure, 2024" published by the Ministry of Economy, Trade and Industry ("METI").

#### Revenue and Expenditure (General Account)

The following table shows for the fiscal years indicated the Metropolis' actual or estimated revenue (being receipts (including proceeds from new borrowings) by the Metropolis), expenditure (including debt repayments) and

balance for its General Account. For a more detailed breakdown of Metropolis' revenues and expenditures, see "The Metropolis of Tokyo — Revenue and Expenditure — General Account".

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<i>(millions of yen)</i>			
Revenue .....	¥9,747,377	¥9,332,949	¥8,483,136	¥8,962,755
Expenditure .....	9,461,704	9,047,840	8,212,897	8,724,585
Balance .....	285,672	285,109	270,239	238,170

#### *Outstanding Debt*

The following table shows the Metropolis' outstanding long-term and short-term debt for its General Account, Special Accounts and Public Enterprise Accounts on a combined basis as of the dates indicated. For more detailed information regarding the Metropolis' outstanding debt, see "The Metropolis of Tokyo — Indebtedness — Summary of Outstanding Debt".

	<u>31st March,</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>(millions of yen)</i>		
Long-term debt .....	¥7,547,804	¥7,329,690	¥6,885,416
Short-term debt (excluding current portion of long-term debt) .....	0	0	0

## Overview of the Terms and Conditions of the Bonds

*This overview does not purport to be complete and must be read as an introduction to this Offering Circular and any decision to invest in the Bonds should be based on a consideration of this Offering Circular as a whole. Words and expressions defined in "Terms and Conditions of the Bonds" shall have the same meanings in this overview.*

<b>Issuer</b> .....	The Metropolis of Tokyo.
<b>Securities Offered</b> .....	● ● per cent. Bonds due ●.
<b>Issue Price</b> .....	● per cent.
<b>Closing Date</b> .....	On or about ● .
<b>Delivery</b> .....	It is expected that the Global Certificate will be deposited with and registered in the name of, or a nominee for, a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date.
<b>Form and Denomination</b> .....	The Bonds are issued in registered form in the denomination of ● and integral multiples of ● in excess thereof, and evidenced by a Global Certificate. Definitive Certificates will only be available in certain limited circumstances. See "Summary of Provisions Relating to the Bonds While in Global Form".
<b>Interest</b> .....	● per cent. per annum, payable semi-annually in arrear on ● in each year commencing on ● .
<b>Status</b> .....	The Bonds are direct, unconditional and unsecured obligations of the Metropolis and rank <i>pari passu</i> and rateably without any preference among themselves and (with certain statutory exceptions) at least equally with all other unsecured obligations of the Metropolis from time to time outstanding.
<b>Redemption at Maturity</b> .....	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on ● .
<b>Redemption for Taxation Reasons</b> .....	If the Metropolis would on the occasion of the next payment due in respect of the Bonds be required as a result of any change in, or amendment to, the laws or regulations of Japan, or any political subdivision or any authority thereof or therein having power to tax (other than, in each case, the Metropolis), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after ● , and for reasons outside its control, to pay any Additional Amounts (as defined in Condition 8) pursuant to Condition 8, then the Metropolis may, at its option, upon giving not less than 30 nor more than 60 days' prior notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 14, redeem all (but not some only) of the Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption.
<b>Withholding Tax</b> .....	All payments of principal and interest in respect of the Bonds will be made free and clear of Japanese withholding taxes, unless such withholding is required by law. In that event, the Metropolis will (subject to the exceptions provided in Condition 8) pay such Additional Amounts as will result in the Bondholders receiving such amounts as they would have received in respect of such Bonds had no such withholding been required.

<b>Cross Acceleration</b> .....	The Bonds are subject to a cross acceleration in respect of indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys exceeding in the aggregate U.S.\$10,000,000 (or its equivalent in any other currency or currencies). See Condition 9(iii).
<b>Meetings of Bondholders</b> .....	The terms and conditions of the Bonds and the fiscal agency agreement referred to therein contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally (including changes to the principal amount, interest rate and payment dates). These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Bondholders may be bound by decisions made by a defined majority that are against their interests.
<b>Governing Law</b> .....	English law.
<b>Jurisdiction</b> .....	English courts.
<b>Listings and Admissions to Trading</b> .....	<p>Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the Main Market.</p> <p>Application is also being made to Tokyo Stock Exchange for the Bonds to be listed on the TOKYO PRO-BOND Market.</p>
<b>Credit Rating for the Bonds</b> .....	<p>It is expected that the Bonds will be assigned a credit rating of ● by S&amp;P.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The credit rating referred to above will be and the issuer ratings referred to above have been issued by S&amp;P, which is not established in the European Union or in the United Kingdom and is not registered under the CRA Regulation or the UK CRA Regulation but such credit rating will be and such issuer ratings have been endorsed by S&amp;P Europe, which is an entity established in the European Union and registered under the CRA Regulation, and S&amp;P UK, which is an entity established in the United Kingdom and registered under the UK CRA Regulation.</p>
<b>Selling Restrictions</b> .....	The Bonds have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. The Bonds are being offered or sold outside the United States to non-U.S. persons by the Joint Lead Managers in offshore transactions in reliance on Regulation S, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Subscription and Sale"
<b>Use of Proceeds</b> .....	The net proceeds of the issue of the Bonds, amounting to approximately ● million, will be used for general purposes of the Metropolis.
<b>Fiscal Agent, Paying Agent, Registrar and Transfer Agent</b> .....	●
<b>Securities Codes for the Bonds</b> .....	ISIN: ● Common Code: ●

**Legal Entity Identifier (LEI).....** 353800FABE4GGB1BMO18

## RISK FACTORS

*Any investment in the Bonds is subject to a number of risks, including the risk that the Metropolis is unable to fulfil its obligations under the Bonds and certain market risks associated with the Bonds. Prior to investing in the Bonds, investors should consider carefully whether an investment in the Bonds is suitable for them in light of all of the information in this Offering Circular, including the risk factors below, and their personal circumstances.*

*The Metropolis believes that the following risks are the material risks that may affect its ability to fulfil its obligations under the Bonds. However, the following does not address all of the risks investors may face in investing in the Bonds. Additional risks and uncertainties relating to the Metropolis that are not currently known to the Metropolis or that the Metropolis currently deems immaterial, may individually or cumulatively have a material adverse effect on the ability of the Metropolis to fulfil its obligations under the Bonds and, if any such risks or uncertainties should be realised, the value of the Bonds may decline and investors could lose all or part of their investment.*

### **1. Factors Related to the Metropolis**

#### **A. Factors affecting the Metropolis' revenues and expenditures could have adverse effects on its ability to fulfil its payment obligations under the Bonds.**

The Metropolis relies on revenues, mostly in the form of tax revenues, to support its budgeted expenditures, which include payments of interest and principal on its outstanding bonds. Events, trends or other circumstances, especially those that are outside the control of the Metropolis or other factors that impact global economic conditions, such as geopolitical factors, including conflicts such as those between Russia and Ukraine and related sanctions targeting Russia imposed by the international community, concerns over North Korea's nuclear weapons program, continued instability and conflict in the Middle East, and material changes to trade and relations between the United States, China and other countries including Japan, including the imposition or extension of tariffs and other restrictions (including tariffs imposed by the U.S. and retaliatory measures), economic slowdowns experienced by one or more significant economies, including China, the U.S. or other developing economies, loss of confidence in the currencies of certain countries, or recessions resulting from factors including disruption to global supply chains and trade as a result of the imposition of import tariffs, persistent inflation, increases in interest rates, financial market volatility, particularly in Japan or in other developed economies, that result (directly or indirectly) in a larger decrease in revenues or an increase in expenditures, relative to each other, could impair the Metropolis' ability to maintain a balanced budget. Further, recent political developments in Japan, including the general election in February 2026 which resulted in a clear majority for the Liberal Democratic Party, could result in policy changes and have consequences for financial markets or government fiscal policies, which in turn may adversely affect the Metropolis' revenues and expenditures.

The implementation of the Metropolis' budget may be affected by political, economic, social or other factors, including macroeconomic changes (such as fluctuations in interest rates, import tariffs, commodity prices, currency exchange and external payment balances), unforeseen or larger than anticipated public spending needs due to acts of nature and large-scale disasters causing social turmoil (including large earthquakes, tsunamis, typhoon and floods), increase in the frequency and intensity of natural disasters and extreme weather patterns as a result of climate change, pandemics and other public health crises, chaos and anarchy due to terrorism, war or other acts, changes in social structures or population demographics (for example, changes in industrial structures or the workforce, such as larger-than-expected population shifts, declining birthrates or the impact of an ageing population) as well as changes in policies of the Japanese Government, including with respect to the structure of national, prefectural and local taxes as well as policies relating to energy and sustainability, tourism and immigration. These and other factors could contribute to a decrease in revenues or increase in expenditure and accordingly may influence the Metropolis' implementation of the budget.

In addition, while revenues of the Metropolis are generally affected by macroeconomic conditions, expenditure in the Metropolis' budget does not come under automatic review in case of any revenue decreases. Accordingly, if the Metropolis' actual revenues are lower than the budgeted amount, due to recession or downtrend in the macro economy, for example, the Metropolis' expenditure may remain in accordance with the original budgeted amount (or could increase for unrelated reasons) and consequently may cause a budget deficit of the Metropolis.

The Metropolis also operates public enterprises in compliance with market principles and accordingly takes business risks comparable to that of private enterprises. These public enterprises are required to achieve their intended objectives of enhancing and promoting public welfare and thus may serve as a complementary provider of public services in accordance with instructions from the Metropolis due to policy reasons of the Metropolis.

While these public enterprises are viewed separately from the Metropolis' general and special accounts for budget purposes, the Metropolis may be obliged to bear the costs incurred by any public enterprise as a result of such business risks or the provision of public services which may exceed the budgeted operating revenue of such public enterprise.

***B. If Japanese economic conditions do not improve or if they worsen, the Metropolis' revenues and financial condition may be negatively affected.***

Prospective investors in the Bonds should be aware of the challenges faced by the Japanese economy in general.

In March 2024, in a significant policy shift, the Bank of Japan (the "BOJ") announced the cessation of its eight-year negative interest rate policy, raising its benchmark uncollateralised overnight call rate to fluctuate in a range of 0 per cent. to 0.1 per cent., and concluded its yield curve control policy for 10-year Japanese government bonds. In April and June 2024, the BOJ reaffirmed this target and in July 2024, the BOJ further announced that it would raise the target for the uncollateralised call rate to around 0.25 per cent., as well as its plan to reduce the amount of monthly purchases of Japanese government bonds to ¥3 trillion by the first quarter of 2026. The target uncollateralised call rate was raised again to 0.5 per cent in January 2025. In June 2025, the BOJ announced a plan to reduce the amount of monthly purchases of Japanese government bonds to ¥2 trillion by the first quarter of 2027. In December 2025, the BOJ announced that it would raise the target for the uncollateralised call rate to around 0.75 per cent., a position the BOJ announced it would maintain in March 2025.

While earlier monetary policy normalisation contributed to periods of yen appreciation, the yen has remained volatile, and in certain periods weakened against the U.S. dollar, reflecting market perceptions regarding the pace and extent of future monetary tightening as well as political developments in Japan. Such changes in the BOJ and government policies could cause disruptions to financial markets and have adverse effects on economic conditions in Japan. Given these various developments, the outlook of the Japanese economy remains uncertain and economic conditions in Japan may not improve or could worsen.

Furthermore, a variety of macroeconomic and geopolitical factors could adversely affect economic conditions in Japan. See "*A. Factors affecting the Metropolis' revenues and expenditures could have adverse effects on its ability to fulfil its payment obligations under the Bonds*" for a description of those factors. Continued uncertainty in geopolitical conditions could contribute to economic instability and weakness adversely affecting economic conditions in Japan. In particular, the conflict in Ukraine and related sanctions targeting Russia have exacerbated supply chain constraints and driven sharp increases in prices of commodities, including oil and natural gas, further contributing to inflationary pressure. In addition, the armed conflict involving Iran, Israel and, more recently, the United States, has significantly increased geopolitical risks in the Middle East. Military actions, sanctions and restrictions affecting key shipping routes, including the Strait of Hormuz, through which a substantial portion of global oil and liquefied natural gas supplies are transported, have contributed to heightened volatility in global energy markets and sharp increases in oil and gas prices. Prolonged or further escalation of such developments could exacerbate inflationary pressures, disrupt global supply chains and adversely affect economic conditions in Japan, which may, in turn, negatively impact the Metropolis' revenues, expenditures and overall financial condition.

In addition, climate change has been increasingly recognised as a threat which poses risks to the financial system and global economy as a whole. Governments around the world, including Japan, have made commitments intended to mitigate the effects of climate change by limiting the increase in global average temperature and encouraging the transition to a lower carbon economy, in alignment with international agreements such as the Paris Climate Agreement and UN Climate Change Conference. As a major international city, the Metropolis also has established plans of action and a strategy to mitigate the effects of climate change on the Metropolis and on Japan and to contribute to the global response to the climate crisis, namely its "Zero Emission Tokyo Strategy", which includes a "Carbon Half" initiative to reduce greenhouse gas emissions in Tokyo by 50 per cent. by 2030 compared to 2000 levels, as well as other climate-related and other environmental targets. Progressing towards these climate-related and other environmental commitments is subject to a variety of uncertain factors. For example, achievement of the "Carbon Half" initiative requires the Metropolis to promote an increase in energy efficiency and shift to the use of decarbonised energy, which depends on the plans of the Japanese government, the laws or regulations of Japan, external technological and economic factors such as availability and cost of non-carbon-based energy sources, and the actions and behaviours of individuals and companies residing and working within Tokyo, among other uncertain factors. Achievement of its climate-related and other environmental commitments entails significant investment of resources over a long time horizon, and the impact of pursuing these commitments on the Metropolis' budget and financial condition is impossible to predict, especially in light of the uncertain factors listed above.

In addition, Japan continues to contend with certain long-term structural challenges, such as an ageing workforce and population decrease, as well as high levels of public debt and associated debt servicing payments. Over the longer term, the impact of a rising interest rate environment combined with such demographic and fiscal challenges remains uncertain.

Any such factors affecting the Japanese economy as a whole may also adversely affect the Metropolis' revenues and financial position.

**C. *The Metropolis' credit rating is linked to Japan's sovereign debt rating, which means a downgrading of Japan would likely result in a downgrading of the Metropolis.***

Due to the Metropolis' status as a local government body in Japan, any rating action taken with respect to Japan can be expected to impact the Metropolis' ratings, including the rating applicable to the Bonds. Historically, reductions in Japan's S&P credit rating and the outlook thereon have been followed by equivalent reductions in the equivalent credit ratings and outlook of the Metropolis.

For example on 9th June, 2020, S&P revised down the outlook on Japan's long-term sovereign credit rating from A+ (Positive Outlook) to A+ (Stable Outlook), and again the following day (10th June, 2020) downgraded the outlook on the Metropolis' long-term issuer credit and debt ratings from A+ (Positive Outlook) to A+ (Stable Outlook), noting that it does not believe that the ratings on the Metropolis will exceed the sovereign credit rating on Japan. This is due to the belief that the creditworthiness of Japanese local and regional governments would be strongly affected under a stress scenario which would see sovereign defaults on its debt (source: S&P RatingsDirect® "Outlooks On Three Japanese Local And Regional Governments Revised Down To Stable Following Similar Action On Sovereign").

While the Metropolis has not experienced any significant negative effects as a result of those rating actions, such as increased costs or difficulty in raising funds, any further adverse rating actions may adversely affect the Metropolis, and there can be no assurance that Japan's sovereign rating will not be downgraded further in the future (including as a result of any disruption of Japanese international trade and the Japanese economy, resulting from the imposition of import tariffs by the United States). Investors should also note that notwithstanding the close linkage between Japan's sovereign rating and the Metropolis' issuer credit and debt rating, the Metropolis' debts (including the Bonds) are not direct or indirect obligations of Japan or guaranteed in any way by Japan.

**2. Factors Related to the Bonds**

**A. Risks related to the Bonds generally**

Set out below is a brief description of certain risks relating to the Bonds generally:

*The terms and conditions of the Bonds are subject to modification and waivers that could adversely affect the rights of certain Bondholders.*

The terms and conditions of the Bonds and the fiscal agency agreement referred to therein contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally (including changes to the principal amount, interest rate and payment dates). These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Bondholders may be bound by decisions made by a defined majority that are against their interests.

*Changes in law after the issuance of the Bonds could have an adverse effect on the Bondholders.*

The terms and conditions of the Bonds are based on English law in effect as at the date of issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law, administrative practice or mandatory provisions of Japanese law after the date of issue of the Bonds which may have an adverse effect on the Bondholders. Certain changes to Japanese tax law may give the Metropolis the option to redeem the Bonds before their maturity, which redemption could reduce the return on investment as compared to what could have been achieved had the Bonds been redeemed at maturity.

*The Bonds will be issued with a minimum denomination of ●.*

As the Bonds have a minimum denomination of ● plus a higher integral multiple of ●, it is possible that the Bonds may be traded in amounts in excess of ● that are not integral multiples of ●. In such a case, a Bondholder who, as

a result of trading such amounts, holds a principal amount of Bonds of less than ● will not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to at least ●. A Bondholder who, as a result of trading such amounts, holds a principal amount of Bonds other than a multiple of ● will receive Definitive Certificates in respect of such holding (provided that the aggregate amount of Bonds it holds is in excess of ●); however, any such Definitive Certificates that have a denomination that is not an integral multiple of ● may be illiquid or difficult to trade.

*The Bonds may be redeemed prior to maturity.*

In the event that the Metropolis would be obliged to increase the amounts payable to the Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Japan or any political subdivision thereof or any authority therein or thereof having power to tax, the Metropolis may redeem all outstanding Bonds in accordance with the Conditions.

*In relation to instruments issued in global form, investors will have to rely on the procedures of the applicable clearing system for transfer, payment and communication with the Metropolis.*

The Bonds initially will be evidenced by the Global Certificate, registered in the name of or a nominee for, and deposited with a common depository for, Euroclear and Clearstream, Luxembourg (as further described in "Summary of Provisions relating to the Bonds while in Global Form").

While the Bonds are evidenced by the Global Certificate, the Metropolis will discharge its payment obligations under the Bonds by making payments through the applicable clearing system for distribution to their respective account holders. Accordingly, a holder of a beneficial interest in Bonds evidenced by the Global Certificate must rely on the procedures of the applicable clearing system to receive payments under the Bonds. The Metropolis has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in Bonds evidenced by the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the applicable clearing system to appoint appropriate proxies under and in accordance with the rules of such clearing system.

## **B. Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and credit risk:

*Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds, and a credit rating may not reflect all risks.*

The Bonds are expected to be assigned a credit rating of ● by S&P. The credit rating referred to above will be and the issuer ratings referred to above have been issued by S&P, which is not established in the European Union or in the United Kingdom and is not registered under the CRA Regulation or the UK CRA Regulation but such credit rating will be and such issuer ratings have been endorsed by S&P Europe, which is an entity established in the European Union and registered under the CRA Regulation, and S&P UK, which is an entity established in the United Kingdom and registered under the UK CRA Regulation. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Bonds. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds. Under the CRA Regulation and the UK CRA Regulation, certain investors may generally only use a credit rating for regulatory purposes in the European Union or in the United Kingdom (as applicable) if the credit rating is issued by a credit rating agency established in the European Union or in the United Kingdom (as applicable) and registered in accordance with the CRA Regulation or the UK CRA Regulation (as applicable) (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation or the UK CRA Regulation (as applicable)). Investors who wish to use a credit rating for regulatory purposes in the European Union or in the United Kingdom should consider whether a credit rating assigned to an issue of Bonds may be used for this purpose.

*There is no active trading market for the Bonds.*

The Bonds will be new securities for which there is no established trading market, and one may never develop. If a market does develop, it may not be sustained throughout the life of the Bonds or it may not be liquid. Although applications are being made for the Bonds to be admitted to the Official List, and to the London Stock Exchange for the Bonds to be admitted to trading on the Main Market, and an application is also being made to the Tokyo Stock Exchange for the Bonds to be listed and traded on the TOKYO PRO-BOND Market, there is no assurance that such applications will be accepted or that an active trading market will develop or, if developed, that it will continue, even if such applications are accepted. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Bonds. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Metropolis.

*Bondholders will be subject to interest rate related risks.*

Investment in fixed rate bonds (such as the Bonds) involves the risk that subsequent changes in market interest rates may adversely affect the value of such bonds.

*If an investor holds Bonds which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Bonds could result in an investor not receiving payments on those Bonds.*

The Metropolis will pay principal of and interest on the Bonds in • (the "Specified Currency"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Metropolis to make payments in respect of the Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the financial position, vision, strategy, plans and objectives for future operation and administration of the Metropolis (including its climate-related goals and initiatives) are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future plans and the environment in which the Metropolis expects to operate in the future. Important factors that could cause the Metropolis' revenues, expenditures or financial condition to differ materially from those in the forward-looking statements include, among other factors described in this Offering Circular, changes in the policies, visions or plans of the Metropolis or Japan, changes in social structures, population demographics and other assumptions, and changes in the economic, political or social climate in Tokyo, Japan or elsewhere.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of the Metropolis speak only as at the date they are made. The Metropolis does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## ENFORCEABILITY OF CIVIL LIABILITIES

As a matter of English law, the Metropolis is not immune from the jurisdiction of the English courts in connection with the Bonds as it has submitted to the jurisdiction of such courts in connection therewith. However, in view of the absence of a specific consent to relief or enforcement, the Metropolis may be immune from any relief by way of an injunction or order for specific performance or for the recovery of land or other property and its property may be immune from any process for the enforcement of a judgment or arbitration award or, in an action *in rem*, for its arrest, detention or sale (except, in cases where Section 13(4) of the U.K. State Immunity Act 1978 (the "State Immunity Act") applies, for property which is in use or intended for use for commercial purposes) to the extent that it is held by the courts not to have consented to such process or relief (within the meaning of Section 13 of the State Immunity Act).

Under Japanese law, the Metropolis may be sued in the courts of competent jurisdiction of Japan in respect of its obligations under the Bonds and is not entitled to immunity (whether on the grounds of sovereignty or otherwise) from any suit which may be brought before such courts in respect of such obligations. Certain properties and assets of the Metropolis located in Japan may not be subject to attachment to enforce final, conclusive and enforceable judgments against the Metropolis in respect of its obligations under the Bonds to protect public usage of such properties and assets.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Bonds, amounting to approximately • million, will be used for general purposes of the Metropolis.

## **PRESENTATION OF FINANCIAL INFORMATION**

This Offering Circular includes financial information for the Metropolis based on several types of accounts and accounting procedures that are either required by law to be prepared by the Metropolis or which are prepared by the Metropolis to supplement the statutorily required primary accounts. The financial information in this Offering Circular includes: (i) information derived from account settlement information for the Metropolis' General Account, Special Accounts and Public Enterprise Accounts based on local government accounting procedures, (ii) selected portions of the Metropolis' financial statements prepared in accordance with Tokyo Metropolitan Government Accounting Standards and (iii) account settlement information for the Metropolis' Ordinary Account reported to the MIC. As a result of the different preparation methodologies and accounts covered, information presented for a given fiscal period may not be directly comparable across these three categories of financial information.

### **Account Settlement Information based on Local Government Accounting Standards ("Local Government Accounting Standards")**

Each local public body in Japan, including the Metropolis, is required pursuant to the Local Autonomy Act of Japan (Act No. 67 of 1947) (the "Local Autonomy Act") to prepare an annual statement of revenues and expenditures for budgetary purposes. This account settlement information is prepared on a cash basis in accordance with Local Governmental Accounting Standards and must be approved by the Tokyo Metropolitan Assembly (the "Assembly"). Japanese local government account settlements contrast actual revenues earned and expenses incurred during the local government's fiscal year (1st April to 31st March) against budgets prepared using the estimated revenues and expenses for the same fiscal year. Account settlement information allows the Metropolis, taxpayers and investors to assess the efficiency and accuracy of the budget, and also provides a basis and framework for the budget for the following fiscal year. Account settlement information prepared on the basis of Local Government Accounting Standards presented herein covers the Metropolis' General Account, Special Accounts and Public Enterprise Accounts.

### **Financial Statements Prepared in Accordance with Tokyo Metropolitan Government Accounting Standards (the "Metropolis Accounting Standard Financial Statements")**

Since April 2006, the Metropolis has prepared annual financial statements for its General Account and Special Accounts based on accrual basis accounting and double-entry bookkeeping procedures in addition to the above-mentioned account settlement information prepared using Local Government Accounting Standards. These financial statements are prepared in accordance with the Tokyo Metropolitan Government Accounting Standards, an accounting standard developed by the Metropolis and adopted in 2006. The Metropolis Accounting Standard Financial Statements are published annually as reference material for the account settlement information prepared using Local Government Accounting Standards. The Metropolis Accounting Standard Financial Statements comprise (1) a balance sheet; (2) a statement of operating cost; (3) a cash flow statement; and (4) a statement of changes in net assets and are audited each year by the Audit and Inspection Commission of the Metropolis to determine whether the financial statements have been prepared in accordance with the Tokyo Metropolitan Government Accounting Standards. The Metropolis believes these financial statements provide useful supplemental information regarding the Metropolis' financial status and condition when read together with the account settlement information prepared using Local Government Accounting Standards. Certain portions of the Metropolis Accounting Standard Financial Statements for the fiscal years 2022, 2023 and 2024 in English (being translations of part of a provisional English translation of the "Reference Material to Annual Accounts of the Tokyo Metropolitan Government: Financial Statements" prepared by the Metropolis, which was originally prepared in Japanese, prepared in accordance with Tokyo Metropolitan Government Accounting Standards (as stated in the notes to such financial statements), and audited by the Audit and Inspection Commission of the Tokyo Metropolitan Government) have been included in Annex A to this Offering Circular.

### **Account Settlement Information based on Ordinary Accounts in Accordance with Criteria Established by the MIC (the "Metropolis Ordinary Accounts")**

Each Japanese local public body is also required to prepare and submit a report to the Japanese Government each year on its revenues and expenditures attributable to its Ordinary Accounts. Ordinary Accounts is a standardised classification established by the MIC for compiling local government accounting statistics that allow the MIC to clarify the financial condition of local public bodies and to make a statistical comparison between local public bodies since the scope of each local public body's General and Special Accounts may vary. Revenues, expenditures and other information presented herein for the Metropolis' Ordinary Accounts refers to this information prepared and reported by the Metropolis to the MIC on the basis described above. Information in this

Offering Circular that has been prepared on this basis is referred to as "Ordinary Account Presentation (MIC basis)".

### **Revenues and Expenditures**

References to the revenues of the Metropolis in this Offering Circular comprise receipts of the Metropolis including proceeds from new borrowings incurred by the Metropolis in the relevant period. References to expenditures of the Metropolis in this Offering Circular include debt repayments made by the Metropolis in the relevant period.

## THE METROPOLIS OF TOKYO

### Introduction

Tokyo, located in the south of the Kanto Plain, roughly in the middle of the Japanese archipelago and with an area of 2,200 square kilometres as at 1st January, 2026, had a population of 14,262 thousand as at 1st March, 2026. Tokyo is the only governmental unit in Japan designated as a metropolis. Its administrative area consists of three sub-areas, each with different characteristics, comprising 23 special wards, the Tama district and a number of islands in the Pacific Ocean. The address of the Metropolis is 8-1, Nishishinjuku 2-chome, Shinjuku-ku, Tokyo 163-8001, telephone number +81-3-5321-1111.

The website of the Metropolis is at <https://www.english.metro.tokyo.lg.jp> Information contained in or accessible from the website in this paragraph does not form part of this Offering Circular unless that information is incorporated by reference into this Offering Circular.

The major urban area consists of the 23 special wards that extend around Tokyo Bay and which spread into the southern part of the Kanto Plain. Together they form one city, which is often regarded as the City of Tokyo, though each ward is administratively independent. The number of people living in this combined area is 9,939,581, or 69.7 per cent. of Tokyo's population as at 1st March, 2026. Tokyo is not only the largest Japanese city but it is also one of the largest cities in the world. The Tama district lies to the west of the 23 special wards and comprises 26 cities, three towns and one village. The islands in the Pacific Ocean that form part of Tokyo are the Izu Islands and the Ogasawara Islands. These islands have a total of two towns and seven villages.

Tokyo has been the political capital of Japan since 1603, when the Tokugawa Shogunate was established. It became the official capital in 1869, shortly after the Meiji Restoration, which ushered in the modern history of Japan. The Metropolis was created in July 1943 when the administrative authority of the City of Tokyo and that of the Prefecture of Tokyo were amalgamated.

As the capital, Tokyo is the site of the Diet and is the seat of the administrative and judicial branches of the Japanese Government. Tokyo is also the national centre of finance and commerce and has a prominent position in the intellectual and cultural life of Japan.

The growth of the population of Tokyo and the expansion of its economy, which were especially remarkable in the 1960s, have brought about an increase in the influence of the Metropolis beyond its administrative boundaries with the result that the Metropolis and three adjoining prefectures are now together referred to as the Tokyo Metropolitan Region. The population of this region amounts to 36.9 million and accounted for 29.7 per cent. of the entire population of the nation as at 1st January, 2025. About 3.4 million people travel daily into the Metropolis for occupational and educational reasons. The Metropolis and seven surrounding prefectures are together referred to as the National Capital Region.

### *Tokyo's Long-Term Strategy*

Society is undergoing rapid and significant change, including the intensification of climate-related challenges, demographic shifts characterised by a declining and ageing population, and the accelerated development of technologies such as artificial intelligence. Against this backdrop, in January 2025, the Metropolis formulated the "Tokyo 2050 Strategy" to serve as a long-term policy framework.

The "Tokyo 2050 Strategy" sets out a long-term vision for the 2050s together with strategic initiatives to be implemented through to 2035. These initiatives are structured around the following pillars: (i) the realisation of a diverse city, including strategies relating to children, childcare and education; (ii) the realisation of a smart city, including strategies relating to start-ups, digital transformation and global finance; and (iii) the realisation of a safe city, including strategies relating to zero emissions, urban resilience and disaster preparedness.

In implementing the "Tokyo 2050 Strategy", the Metropolis adopts the following five guiding approaches: (i) long-term policy planning based on a backcasting approach; (ii) responding with agility to evolving social and economic conditions; (iii) enhancing quality of service for residents through digital transformation of policies and business processes; (iv) utilising artificial intelligence and other emerging technologies; and (v) promoting collaboration with a broad range of stakeholders.

Through the continued implementation of the "Tokyo 2050 Strategy", the Metropolis aims to achieve sustainable urban development while enhancing the quality of life of its residents.

## Administration

### General

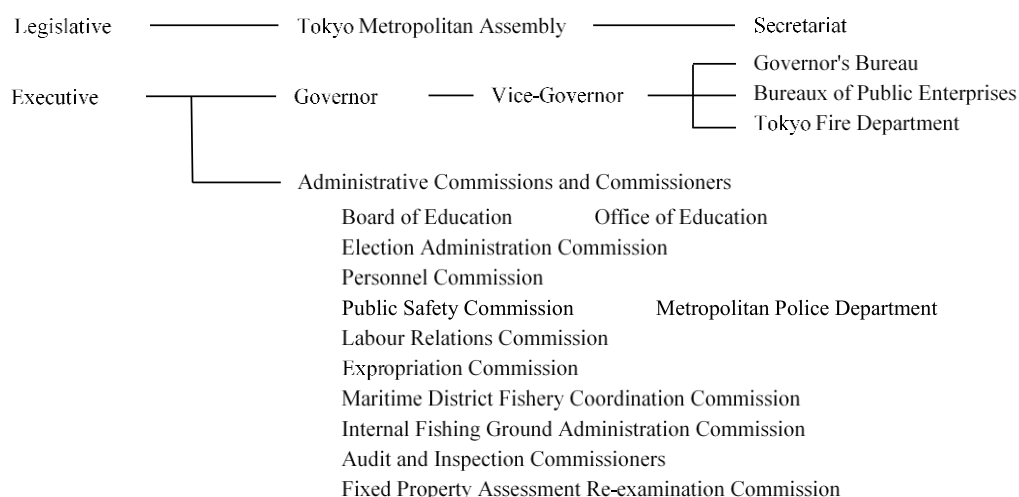
The Metropolis of Tokyo is one of the ordinary local public bodies provided for by the Local Autonomy Act. It is unique among local public bodies in Japan in that it exercises powers of prefectural administration over its 23 special wards (each of which is a special local public body) and over its cities, towns and villages (each of which is an ordinary local public body) and also exercises certain powers of municipal administration within the special ward areas, particularly in relation to matters requiring uniform treatment.

The Metropolis has also had certain functions of the Japanese Government delegated to it as set out in certain laws or regulations.

The Japanese Constitution grants each local public body, including the Metropolis, the right to manage its own property, affairs and administration, subject to certain laws concerning organisation and operations established by the Diet.

The administrative system of the Metropolis is divided into the legislative (the Assembly) and the executive (the Governor and a number of administrative commissions and commissioners). Whilst the Governor is the principal administrative officer of the Metropolis and exercises overall control of its administration, the Bureaux of Public Enterprises (Waterworks, Transportation and Sewerage Works), the Fire Department and the administrative commissions and commissioners are accorded a certain degree of autonomy.

The legislative and executive organs are outlined in the following table:



### The Tokyo Metropolitan Assembly

The legislative body of the Metropolis is the Assembly, which is composed of 127 members elected for terms of four years by the citizens of 42 constituencies. All Metropolitan residents who are Japanese nationals and at least 18 years old are eligible to vote after continuous residence for three months. The most recent general election was held on 22nd June, 2025.

The Assembly functions basically as the decision-making organ of the Metropolis and has the legislative power to enact, amend and repeal by-laws and to approve or reject the budget submitted by the Governor. The Governor must obtain the consent of the Assembly before they appoint the Vice-Governors, the Audit and Inspection Commissioners and certain other senior executive officials. The Assembly, as the representative of the residents, can also examine, investigate and ask for explanations about the administration and fiscal activities of the Metropolis.

Ordinary legislation may be introduced by any member of the Assembly, with the consent of one twelfth part of the Assembly, and by the Governor, but the right to introduce budgetary legislation is exclusively vested in the Governor. The Assembly has the power to increase or decrease funds for particular budget proposals. The Governor can require the Assembly to reconsider action taken but the Assembly may confirm its position by a vote of two-thirds of the members present. In the event that the Assembly fails to appropriate funds for expenses

which the Metropolis is obliged to meet, the Governor may appropriate and disburse the necessary funds without Assembly approval. If the Governor loses a vote of confidence in the Assembly, they must resign unless they dissolve the Assembly within ten days.

Regular sessions of the Assembly are convened by the Governor four times a year and usually last for approximately two weeks, although the initial session each year, which deals with the budget, normally extends for 30 days. The Governor may also convene a short extraordinary session whenever they deem necessary.

### ***The Executive Body***

The executive body consists of the Governor and a number of administrative commissions and commissioners.

The Governor is elected by direct popular vote for a four-year term. The most recent election for Governor was held on 7th July, 2024. The Governor represents the Metropolis, is its principal administrative officer and is responsible for executing the decisions of the Assembly. Some of the Governor's duties are carried out on her behalf by the Vice-Governors and other officials.

The Bureaux of Waterworks, Transportation and Sewerage Works have managers, appointed by the Governor, who have authority to represent the Metropolis in all matters related to the public enterprises under their control except for certain functions reserved to the Governor.

Firefighting is usually the responsibility of the individual municipality (city, town or village) but the special wards are considered a single municipality for this purpose and it is the Governor's task to supervise the Tokyo Fire Department and fire stations. The head of the Tokyo Fire Department, appointed by the Governor, is the Superintendent-General who has the authority to appoint and supervise officers and firefighters.

In order to prevent an undue concentration of power in one individual, certain executive powers are vested in independent administrative commissions and commissioners. These commissioners are in most cases appointed by the Governor, with the consent of the Assembly to the appointment generally also being required.

The maximum numbers of employees, including short-time employees who were reappointed after retiring from full-time positions, and excluding employees who are temporarily retired, temporary employees, part-time employees and similar such staff, of the Metropolis in the fiscal year 2026, which are stipulated in the by-laws of the Metropolis, are 168,601.

### ***Dissolution, Dismissal and Inspection***

The Assembly may be dissolved, or the Governor may be dismissed, by the vote of a majority of voters following a demand for dissolution or dismissal, as the case may be, signed by at least one-third of all eligible voters. A demand for dissolution may not be made within one year following a general election or the vote on a previous demand for dissolution. A demand for dismissal may not be made within one year after the incumbent Governor assumes office or the vote on a previous demand for dismissal.

Eligible voters may demand the enactment, amendment or repeal of Metropolitan by-laws, except those relating to local taxes, charges or fees, and may request the Audit and Inspection Commissioners to investigate any aspect of the affairs of the Metropolis. In each case the signatures of one-fiftieth of all eligible voters are required. A demand relating to by-laws is submitted to the Assembly but is not binding upon it, although the Audit and Inspection Commissioners must carry out any investigation that is requested. The five Audit and Inspection Commissioners, two of whom are members of the Assembly, are responsible for making periodic examinations of the accounts of the Metropolis and may, on their own initiative, investigate other financial matters of the Metropolis as well.

### **Economic Position**

#### ***General Tokyo***

Tokyo is the business centre of Japan and makes a greater contribution to the national economy than any other city. Particularly significant is the concentration in the capital of public and private sector administration. In addition to being the location of the legislative, administrative and judicial branches of the Japanese Government, Tokyo is the administrative seat of more than half (according to statistics available at the website of the National Tax Agency of Japan, 68.8 per cent. in fiscal year 2024) of all Japanese privately-owned enterprises with a paid-in capital of more than ¥5 billion.

## Gross Product

The gross product of Tokyo in the fiscal year 2022 was ¥120,219 billion, which accounted for 21.2 per cent. of the gross domestic product of Japan. Per capita income in Tokyo in the fiscal year 2022 was ¥6,037 thousand, about 1.8 times higher than the national average.

The following table sets forth a breakdown of the gross product of Tokyo for the fiscal years 2021 and 2022 by category of business:

	FY2021		FY2022	
	Actual		Actual	
	(billions of yen)	(%)	(billions of yen)	(%)
Services <sup>(b)</sup> .....	¥20,213.2	17.7%	¥21,463.7	17.9%
Wholesale and Retail Trade .....	24,438.4	21.4	25,913.4	21.6
Finance and Insurance .....	8,842.1	7.7	9,629.0	8.0
Manufacturing.....	8,243.4	7.2	8,812.2	7.3
Public Administration.....	4,337.9	3.8	4,348.9	3.6
Transport and Postal Services .....	3,449.4	3.0	4,119.7	3.4
Information and Communications ...	13,476.8	11.8	13,962.4	11.6
Construction.....	4,633.8	4.0	4,642.4	3.9
Others.....	26,784.4	23.4	27,328.4	22.7
Total.....	<u>114,419.5</u>	<u>100.0%</u>	<u>120,219.2</u>	<u>100.0%</u>

Notes:

(a) Amounts calculated based on current prices.

(b) Services includes (a) accommodation and restaurant services, (b) professional, technical and supporting services and (c) other services.

Source: "Annual Report on Prefectural Accounts of Tokyo: FY2022" published by the Metropolis.

## Wholesale and Retail Trade

Tokyo's functionality as a commercial city is increasing as its industrial importance decreases. According to the Economic Census for Business Activity, 2021, the numbers of stores, persons engaged in retail and wholesale trade, and annual sales volume for retail and wholesale combined in Tokyo were the highest in the nation, accounting for 11.5 per cent., 17.0 per cent. and 33.5 per cent., respectively, of the national totals. Particularly noteworthy is Tokyo's large share in the total wholesale business of the nation.

## Manufacturing

Though gradually losing their relative importance over a period of years, reflecting the relocation of large factories in the surrounding prefectures as a result of the restrictions imposed on them in highly urbanised areas, manufacturing industries still play a vital role in the Tokyo economy.

The value of industrial shipments from Tokyo in 2024 amounted to ¥8,552.7 billion, accounting for 2.3 per cent. of the national total and ranking 16th among the 47 prefectures. In terms of both numbers of factories and persons engaged in manufacturing industries, Tokyo ranked third and eighth, providing 6.9 per cent. and 3.4 per cent., respectively, of the totals.

## Transportation and Communication

Tokyo is the hub of the Japanese transportation industry. It is served by all major Japanese railways and Tokyo International Airport (Haneda) is one of the nation's major air terminals. The Port of Tokyo offers harbour facilities for a wide range of vessels in international and domestic trade.

## Finance and Insurance

Tokyo is the financial centre of Japan and the location of the Bank of Japan. A large number of major banks, insurance companies and securities houses have their head offices in Tokyo. As at 31st March, 2025, 37.5 per cent. of total Japanese bank deposits were held by banks located in Tokyo and 45.1 per cent. of total bank loans were advanced in Tokyo, according to statistics published by the Bank of Japan.

## **Revenue and Expenditure**

The Metropolis prepares annual statements of revenues (being receipts by the Metropolis) and expenditures, as required by the Local Autonomy Act. This account settlement information is prepared on a cash basis in accordance with Local Governmental Accounting Standards and covers the Metropolis' General Account and Special Accounts. Account settlement information for each of the Metropolis' Public Enterprise Accounts is prepared on a separate basis. As described below and in "Presentation of Financial Information", the Metropolis also prepares financial statements based on accrual basis accounting.

The Metropolis is also required to prepare and submit a report to the Japanese Government each year on its revenues and expenditures based on its Ordinary Accounts. See "Financial Status – Revenues and Expenditures in the Ordinary Account of the Metropolis" for more information on the Metropolis' Ordinary Accounts.

The Metropolis also prepares annual financial statements for its General Account and Special Accounts in accordance with Tokyo Metropolitan Government Accounting Standards and publishes such financial statements as a supplement to its account settlement information based on Local Government Accounting Standards. Certain portions of the Metropolis' Tokyo Accounting Standard Financial Statements for the fiscal years 2022, 2023 and 2024 in English (being translations of part of a provisional English translation of the "Reference Material for Annual Accounts of the Tokyo Metropolitan Government: Financial Statements" prepared by the Metropolis, which was originally prepared in Japanese, prepared in accordance with Tokyo Metropolitan Government Accounting Standards (as stated in the notes to such financial statements), and audited by the Audit and Inspection Commission of the Tokyo Metropolitan Government) have been included in Annex A to this Offering Circular.

For more information regarding the several types of accounts and accounting procedures prepared by the Metropolis, see "Presentation of Financial Information".

Unless otherwise stated, the following discussion relates to the Metropolis' account settlement information prepared on a cash basis in accordance with Local Governmental Accounting Standards.

### ***Budgetary System***

The Governor is charged with the responsibility of preparing the annual Metropolitan budget, submitting it to the Assembly, generally in February each year, and obtaining the approval of the Assembly before the beginning of each fiscal year on 1st April. The Metropolis, like all other ordinary local public bodies, is required to use a fiscal year commencing on 1st April and ending on 31st March of the following year. From time to time the original budget may be supplemented by resolutions of the Assembly initiated by the Governor. The MIC must be advised of the adoption of the budget, and a summary of it is published in the Official Gazette of the Metropolis.

The revenues and expenditures of the Metropolis are audited at least once each fiscal year by the Audit and Inspection Commissioners, who are required to deliver reports of their audits to the Assembly and the Governor, and such reports are published in the Official Gazette of the Metropolis.

### ***Accounts***

The accounts of the Metropolis consist of (i) the General Account, (ii) a number of Special Accounts and (iii) Public Enterprise Accounts. The General Account and the Special Accounts of the Metropolis for each fiscal year are closed on 31st May of the following fiscal year. Therefore, the figures for revenue and expenditure for the fiscal year, and the outstanding amounts as at the end of the fiscal year (i.e., 31st March of the following calendar year) in these accounts reflect the cash flows until 31st May of the following fiscal year and are attributable to the receivables and payables accrued in the relevant fiscal year. The Chief Director of Accounting of the Metropolis must submit a final statement of those accounts to the Governor within three months thereafter. The Public Enterprise Accounts are closed at the end of the fiscal year on 31st March and the manager of each public enterprise must submit a final statement of its accounts to the Governor within two months thereafter. The Governor must refer all final statements to the Audit and Inspection Commissioners for their opinion and the statements and opinions are then submitted to the Assembly for a vote on the final statements. After consideration by the Assembly, the final statements are reported to the MIC and summaries are published in the Official Gazette of the Metropolis.

The General Account provides for all general expenditures of the Metropolis such as those for education, police and firefighting, public works, social welfare and public housing. The Special Accounts are established for the execution of specific projects or in cases where there is a necessity for treating specific revenues and expenditures separately from the general ones. As at 1st April, 2024 there were 18 Special Accounts. The Public Enterprise

Accounts are for the public enterprises run by the Metropolis such as the waterworks, sewerage works and underground railways. Nine Public Enterprise Accounts were being maintained as at 1st April, 2024. The General Account and the Special Accounts are managed on a cash basis and the Public Enterprise Accounts are managed on an accrual basis.

### General Account

The following table shows actual revenues and expenditures for the fiscal years 2021, 2022, 2023 and 2024 for the Metropolis' General Account:

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<i>(millions of yen)</i>			
<b>Revenues</b>				
Metropolitan Taxes .....	¥5,847,910	¥6,164,368	¥6,344,300	¥6,742,302
Local Transfer Taxes .....	53,343	63,788	64,088	72,711
Special Local Government Grants .....	28,097	7,791	7,079	49,139
Special Grants .....	2,897	2,700	2,540	2,498
Rents and Fees .....	76,913	78,645	78,895	76,625
National Treasury Disbursement .....	2,491,560	1,236,193	638,206	540,401
Transferred from Other Accounts .....	289,541	776,361	214,738	377,125
Metropolitan Debt <sup>(a)</sup> .....	224,279	209,652	199,344	100,292
Carried Over from Preceding Fiscal year .....	201,661	285,672	285,109	270,239
Others .....	531,175	507,778	648,836	731,422
<b>Total .....</b>	<b>¥9,747,377</b>	<b>¥9,332,949</b>	<b>¥8,483,136</b>	<b>¥8,962,755</b>
<b>Expenditures<sup>(b)</sup></b>				
Metropolitan Assembly .....	5,149	5,011	4,684	4,803
General Administration .....	240,007	263,763	482,160	525,048
Tax Collection .....	70,636	74,210	73,428	82,839
Citizens, Cultural and Sports Affairs .....	—	51,330	52,667	83,265
Citizens and Cultural Affairs .....	26,747	—	—	—
Sports Promotion .....	300,380	—	—	—
Urban Development .....	87,929	101,235	90,361	187,001
Environmental Protection .....	56,687	370,918	246,299	163,883
Social Welfare and Public Health .....	1,781,243	1,993,633	1,559,800	—
Social Welfare .....	—	—	—	1,066,496
Public Health .....	—	—	—	474,450
Industrial and Labour Affairs .....	2,157,808	830,904	609,856	628,636
Public Works .....	412,747	430,272	434,254	498,866
Port and Harbour .....	73,333	74,164	77,310	98,216
Education .....	816,299	834,521	837,916	973,445
Police .....	623,294	633,300	638,265	654,783
Firefighting and Prevention .....	244,016	249,924	257,245	278,456
Debt Service <sup>(c)</sup> .....	327,142	343,534	342,076	406,655
Others .....	2,238,287	2,791,120	2,506,577	2,597,745
<b>Total .....</b>	<b>¥9,461,704</b>	<b>¥9,047,840</b>	<b>¥8,212,897</b>	<b>¥8,724,585</b>
<b>Balance .....</b>	<b>¥285,672</b>	<b>¥285,109</b>	<b>¥270,239</b>	<b>¥238,170</b>

#### Notes:

- (a) Includes proceeds from new borrowings incurred by the Metropolis.
- (b) The total unaudited amounts of costs incurred by public enterprises which the Metropolis paid to public enterprises were ¥208.0 billion, ¥193.7 billion, ¥196.3 billion and ¥227.4 billion in the fiscal years 2021, 2022, 2023 and 2024, respectively. Such costs are included mainly in the total amount of the relevant actual expenditures in the above table.
- (c) Substantially all of the amounts comprise amounts contributed to the sinking fund reserve and repayments on principal and payments of interest.

## Special Accounts

The following table shows actual revenues and expenditures for the fiscal years 2021, 2022, 2023 and 2024 for each of the Metropolis' Special Accounts:

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<i>(millions of yen)</i>			
<b>Special Wards Fiscal Adjustment</b>				
Revenues.....	¥1,091,571	¥1,160,370	¥1,209,549	¥1,259,932
Expenditures.....	1,091,571	1,160,370	1,209,549	1,259,932
Balance .....	0	0	0	0
<b>Local Consumption Tax Adjustment<sup>(a)</sup></b>				
Revenues.....	2,707,641	2,702,591	2,628,031	2,967,486
Expenditures.....	2,441,688	2,419,008	2,348,392	2,550,518
Balance .....	265,953	283,583	279,639	416,968
<b>Ogasawara Islands Livelihood Rehabilitation Fund</b>				
Revenues.....	768	775	782	787
Expenditures.....	0	0	0	0
Balance .....	768	775	782	787
<b>National Health Insurance</b>				
Revenues.....	1,148,993	1,110,232	1,113,044	1,100,093
Expenditures.....	1,128,756	1,099,789	1,089,542	1,059,439
Balance .....	20,236	10,443	23,502	40,655
<b>Single Parent Welfare Loan Fund</b>				
Revenues.....	9,109	11,038	11,723	9,808
Expenditures.....	1,642	2,720	5,244	6,691
Balance .....	7,467	8,318	6,479	3,117
<b>Physically or Mentally Disabled Persons Annuity Fund</b>				
Revenues.....	3,553	3,267	3,016	2,867
Expenditures.....	3,553	3,267	3,016	2,867
Balance .....	0	0	0	0
<b>Tokyo Metropolitan Hospital Organisation Loan and Other Services</b>				
Revenues.....	—	17,608	15,218	28,176
Expenditures.....	—	17,608	15,218	28,176
Balance .....	—	0	0	0
<b>Small and Medium Enterprise Facility Installation Fund</b>				
Revenues.....	2,112	2,009	1,899	1,874
Expenditures.....	398	296	187	163
Balance .....	1,714	1,713	1,712	1,711
<b>Forestry and Lumber Industry Improvement Subsidy</b>				
Revenues.....	115	112	114	114
Expenditures.....	4	0	0	56
Balance .....	111	112	114	58
<b>Coastal Fishery Improvement Subsidy</b>				
Revenues.....	181	183	189	198
Expenditures.....	4	0	0	0
Balance .....	177	183	189	198
<b>Slaughter House</b>				
Revenues.....	5,733	5,739	5,857	6,424
Expenditures.....	5,733	5,738	5,857	6,424
Balance .....	0	1	0	0
<b>Metropolitan Public Housing</b>				
Revenues.....	150,148	149,081	147,885	162,529
Expenditures.....	148,053	146,688	145,497	161,510
Balance .....	2,095	2,393	2,389	1,018
<b>Metropolitan Public Housing Tenants Security Deposit</b>				
Revenues.....	10,949	10,921	10,328	10,379
Expenditures.....	2,552	2,851	1,990	2,553
Balance .....	8,398	8,070	8,339	7,826
<b>Urban Development Fund</b>				
Revenues.....	27	82	3,532	5,990
Expenditures.....	27	82	3,532	5,990
Balance .....	0	0	0	0

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<i>(millions of yen)</i>			
Land Acquisition				
Revenues.....	12,982	11,380	10,388	10,689
Expenditures.....	6,641	5,039	4,047	4,772
Balance .....	6,342	6,342	6,342	5,917
Debt Service <sup>(b)</sup>				
Revenues.....	1,166,291	1,088,399	1,101,695	1,228,851
Expenditures.....	1,166,291	1,088,399	1,101,695	1,228,851
Balance .....	0	0	0	0
Waterfront Urban Infrastructure Development Project				
Revenues.....	3,133	2,978	2,492	2,212
Expenditures.....	409	636	442	406
Balance .....	2,724	2,342	2,050	1,806
Industrial Water Supply Business Liquidation				
Revenues.....	—	—	18,497	8,241
Expenditures.....	—	—	10,454	3,644
Balance .....	—	—	8,043	4,597

Notes:

- (a) Local consumption tax adjustments represent inter-regional adjustments between the locations where such tax was collected and the location where such tax was due.
- (b) Amounts necessary for debt service in each fiscal year are transferred from the General Account, Special Accounts (other than the Debt Service Account) and the Public Enterprise Accounts to the Debt Service Account to be paid out in respect of redemptions and interest payments.

*Public Enterprise Accounts*

The following table shows the actual revenues and expenditures for the fiscal years 2021, 2022, 2023 and 2024 for each of the Metropolis' Public Enterprise Accounts:

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<i>(millions of yen)</i>			
Hospitals				
Profit/Loss Account <sup>(b)</sup>				
Revenues.....	¥188,682	¥49,400	—	—
Expenditures.....	176,374	43,719	—	—
Current Balance <sup>(a)</sup> .....	12,308	5,681	—	—
Capital Account <sup>(c)</sup>				
Revenues.....	14,059	82	—	—
Expenditures.....	27,605	2,200	—	—
Current Balance <sup>(a)</sup> .....	(13,546)	(2,119)	—	—
Central Wholesale Market				
Profit/Loss Account <sup>(b)</sup>				
Revenues.....	20,583	20,968	¥22,266	¥22,544
Expenditures.....	31,982	39,823	37,108	41,343
Current Balance <sup>(a)</sup> .....	(11,399)	(18,856)	(14,842)	(18,800)
Capital Account <sup>(c)</sup>				
Revenues.....	0	0	6	0
Expenditures.....	2,797	8,762	44,077	39,941
Current Balance <sup>(a)</sup> .....	(2,797)	(8,762)	(44,071)	(39,941)
Urban Redevelopment Project				
Profit/Loss Account <sup>(b)</sup>				
Revenues.....	155	164	161	32
Expenditures.....	0	0	0	0
Current Balance <sup>(a)</sup> .....	155	164	161	32
Capital Account <sup>(c)</sup>				
Revenues.....	2,910	5,344	2,201	3,736
Expenditures.....	2,744	5,630	2,028	3,759
Current Balance <sup>(a)</sup> .....	166	(286)	174	(24)
Waterfront Area Development Project				
Profit/Loss Account <sup>(b)</sup>				
Revenues.....	54,256	40,138	15,207	23,759
Expenditures.....	29,323	25,831	11,356	33,101
Current Balance <sup>(a)</sup> .....	24,932	14,308	3,851	(9,342)

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<i>(millions of yen)</i>			
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	200	19	167	2
Expenditures.....	5,544	7,198	8,526	107,389
Current Balance <sup>(a)</sup> .....	(5,345)	(7,179)	(8,359)	(107,387)
<b>Port and Harbour Project</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	4,802	4,905	4,851	4,872
Expenditures.....	3,744	3,563	3,447	5,459
Current Balance <sup>(a)</sup> .....	1,058	1,342	1,405	(587)
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	0	0	1	2
Expenditures.....	475	1,586	2,192	1,710
Current Balance <sup>(a)</sup> .....	(474)	(1,586)	(2,191)	(1,709)
<b>Transportation</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	53,129	58,431	57,697	61,032
Expenditures.....	58,938	59,658	55,353	58,199
Current Balance <sup>(a)</sup> .....	(5,809)	(1,226)	2,344	(2,833)
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	7,320	9,512	8,785	4,438
Expenditures.....	9,618	12,992	12,506	11,402
Current Balance <sup>(a)</sup> .....	(2,298)	(3,479)	(3,721)	(6,963)
<b>Urban Rapid Transit Railway</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	134,744	149,701	170,293	183,004
Expenditures.....	137,183	147,165	149,247	153,878
Current Balance <sup>(a)</sup> .....	(2,439)	2,535	21,046	29,126
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	65,669	44,580	38,080	32,843
Expenditures.....	104,758	74,994	78,434	77,492
Current Balance <sup>(a)</sup> .....	(39,089)	(30,414)	(40,355)	(44,649)
<b>Electric Power</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	1,360	1,120	1,122	2,380
Expenditures.....	1,020	936	1,143	1,154
Current Balance <sup>(a)</sup> .....	339	184	(21)	1,225
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	0	0	0	0
Expenditures.....	113	87	198	613
Current Balance <sup>(a)</sup> .....	(113)	(87)	(198)	(613)
<b>Waterworks</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	352,227	361,324	371,277	371,065
Expenditures.....	319,087	332,279	358,812	358,093
Current Balance <sup>(a)</sup> .....	33,140	29,045	12,465	12,972
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	26,867	34,183	37,985	54,919
Expenditures.....	135,406	160,219	139,275	144,765
Current Balance <sup>(a)</sup> .....	(108,539)	(126,036)	(101,290)	(89,845)
<b>Industrial Waterworks</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	1,816	20,225	—	—
Expenditures.....	6,061	26,596	—	—
Current Balance <sup>(a)</sup> .....	(4,245)	(6,371)	—	—
<b>Capital Account<sup>(c)</sup></b>				
Revenues.....	1	2,375	—	—
Expenditures.....	7	1,188	—	—
Current Balance <sup>(a)</sup> .....	(6)	1,187	—	—
<b>Sewerage</b>				
<b>Profit/Loss Account<sup>(b)</sup></b>				
Revenues.....	383,441	394,679	395,409	407,958
Expenditures.....	357,345	373,424	376,123	386,161
Current Balance <sup>(a)</sup> .....	26,096	21,255	19,286	21,797

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<i>(millions of yen)</i>			
Capital Account <sup>(c)</sup>				
Revenues.....	166,229	150,132	178,406	215,189
Expenditures.....	341,765	338,129	337,911	382,323
Current Balance <sup>(a)</sup> .....	(175,536)	(187,997)	(159,505)	(167,134)

Notes:

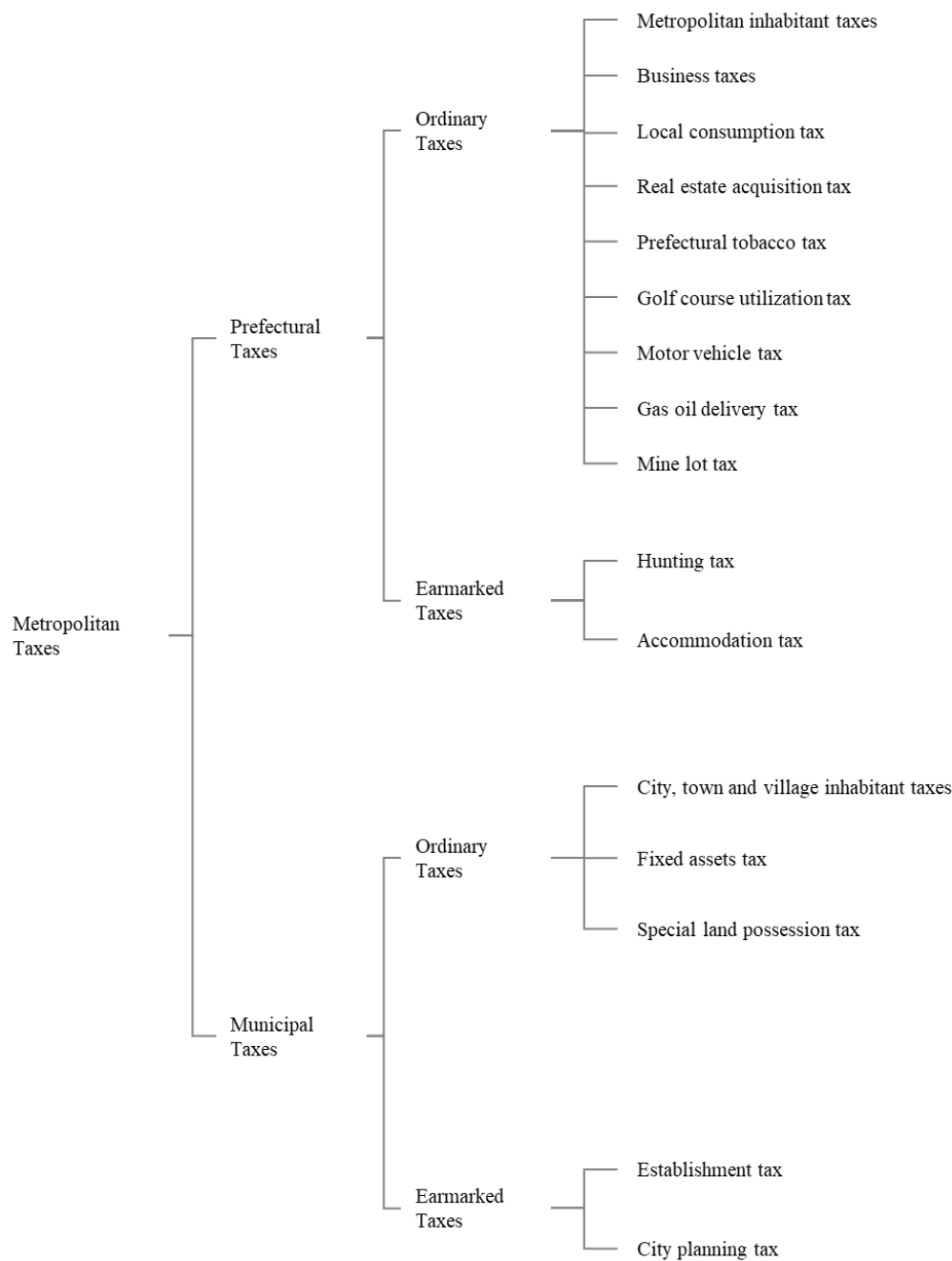
- (a) The "Current Balance" figures in the above table do not take into account any balances transferred between fiscal years or any transfers from reserves to eliminate negative current balance.
- (b) The profit/loss account is an account that records current revenues and expenditures relating to the operation of the business, such as fee revenues, payroll expenses, rent, operating costs, interest expenses and depreciation expenses.
- (c) The capital account is an account that records capital revenues and expenditures, such as revenue from borrowings, revenue from the sale of properties, expenditures for construction and improvement and expenditures for repayment of borrowings.

## **Taxation**

### ***Structure of Taxation***

Metropolitan taxes constitute the major part of the Metropolis' revenue, with their contribution to the General Account revenue in the fiscal year 2024 being 75.2 per cent. Metropolitan taxes are, as in the case of taxes collected by other local public bodies, assessed in accordance with the Local Tax Act (Act No. 226 of 1950, as amended) (the "Local Tax Act"). Since the Metropolis functions in the special wards partly as a municipal government as well as a prefectural government, Metropolitan taxes include certain municipal taxes in addition to prefectural taxes.

The following table shows the classification of the Metropolitan taxes currently in force:



### Tax Revenues

The following tables show the Metropolis' actual tax revenues for the fiscal years 2021, 2022, 2023 and 2024, together with the relative contributions made by the principal categories of tax:

	FY2021		FY2022		FY2023	
	<i>(millions of yen)</i>	(%)	<i>(millions of yen)</i>	(%)	<i>(millions of yen)</i>	(%)
Residents Tax.....	¥1,822,996	31.2%	¥1,841,331	29.9%	¥1,901,845	30.0%
Enterprise Tax.....	1,381,520	23.6	1,544,976	25.1	1,590,412	25.1
Fixed Property Tax.....	1,319,011	22.6	1,383,125	22.4	1,436,124	22.6

	FY2021 Actual		FY2022 Actual		FY2023 Actual	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Local Consumption Tax.....	705,893	12.1	748,287	12.1	743,487	11.7
Others.....	618,491	10.6	646,649	10.5	672,433	10.6
Total.....	<u>¥5,847,910</u>	<u>100.0%</u>	<u>¥6,164,368</u>	<u>100.0%</u>	<u>¥6,344,300</u>	<u>100.0%</u>
Two Corporate Taxes <sup>(a)</sup> .....	¥2,119,224	36.2%	¥2,269,041	36.8%	¥2,329,860	36.7%

Note:

- (a) Two Corporate Taxes refer to the corporate enterprise tax (being a part of enterprise tax) and the corporate inhabitant tax (being a part of residents tax).

	FY2024 Actual	
	(millions of yen)	(%)
Residents Tax.....	¥2,078,314	30.8%
Enterprise Tax.....	1,701,038	25.2
Fixed Property Tax.....	1,493,255	22.1
Local Consumption Tax.....	779,783	11.6
Others.....	689,912	10.2
Total.....	<u>¥6,742,302</u>	<u>100.0%</u>
Two Corporate Taxes <sup>(a)</sup> .....	¥2,536,385	37.6%

Note:

- (a) Two Corporate Taxes refer to the corporate enterprise tax (being a part of enterprise tax) and the corporate inhabitant tax (being a part of residents tax).

Under tax reform legislation adopted for the fiscal year 2019, a special corporate enterprise tax (*tokubetsu houjin jigyouzei*) was established from 1st October, 2019, through which a part of the corporate enterprise tax is put into national taxes and redistributed to prefectural authorities in the form of a special corporate enterprise transfer tax (*tokubetsu houjin jigyoujouyozzei*).

A brief description of the four principal taxes is set forth below.

#### Residents Tax

The residents tax is divided into (i) individual residents tax, (ii) corporate residents tax and (iii) residents tax on interest, dividends and capital gains.

The individual residents tax is levied on individuals maintaining a residence, office or business establishment in Tokyo determined on the basis of the individual taxable income in previous year, and a fixed element, subject to certain deductions and exemptions.

The corporate residents tax is imposed on joint-stock companies and other corporations, as well as educational, charitable and similar organisations and certain associations carrying on profitable business activities (collectively, "corporations") that maintain offices or other business establishments in Tokyo. This tax consists of a fixed element and a variable element which is equivalent to a percentage of the corporation's national corporation income tax.

The residents tax on interest is imposed on individuals in respect of the payment of interest on certain "general bonds" or deposits or certain other payments made to them. This tax is levied on the basis of the amount of such payments and is paid by way of withholding by the financial institutions located in Tokyo making such payments. The residents tax on interest for corporations was repealed on 1st January, 2016. The residents tax on dividends is imposed on individuals in respect of the payment of dividends on listed shares, profit distributions from publicly offered investment trusts, interest on certain "specified bonds" or certain other payments made to them. This tax is levied on the basis of the amount of such payments and is paid by way of withholding by the payers or payment handling agents located in Tokyo making such payments. The residents tax on capital gains is imposed on individuals in respect of the final capital gains in a given year arising from sale of listed shares or certain "specified bonds" that are held in "specified accounts" having withholding services functions. This tax is levied on the basis of the amount of such capital gains and is paid by way of withholding by the securities houses located in Tokyo maintaining such accounts.

### *Enterprise Tax*

Substantially all of the tax revenue from the enterprise tax is derived from the corporate enterprise tax. The corporate enterprise tax is imposed on business activities conducted by corporations. In general, the net income of a corporation is used as the basis for taxation. In the case of gas and electric utility companies and insurance companies, however, the enterprise tax is calculated on the basis of gross revenues. The corporate enterprise tax varies with the size of the corporation, the amount of the net taxable income and the type of the corporation. Furthermore, for corporations subject to the business scale-based enterprise taxation regime, the corporate enterprise tax is calculated as the sum of the amount on the basis of the net income, the added value and the paid-in capital.

### *Fixed Property Tax*

The fixed property tax is imposed on the assessed value of land, buildings and certain depreciable assets located within the 23 special wards area and is payable by the owners of such assets as of 1st January of each year.

### *Consumption Tax*

The consumption tax consists of national and local consumption taxes, and is generally imposed on sale of goods and provision of services, which is payable by sellers of goods and service providers.

## **Indebtedness**

### ***General***

The Metropolis may incur short-term debt to meet expenses included in the budget, provided that such debt is repaid during the fiscal year in which it is incurred. Short-term debt raised on the Public Enterprise Accounts may be re-financed provided that it is repaid within one year of the refinancing.

The Metropolis may also, by provision in its budget, incur long-term debt, i.e. debt with a maturity date after the current fiscal year in which the debt is incurred in order to (i) finance public enterprises undertaken by the Metropolis, (ii) make investments and loans, (iii) refinance existing long-term debt, (iv) finance disaster emergency measures, disaster relief measures and disaster recovery measures and (v) construct public or official facilities and purchase real estate for public or official use. Under relevant Japanese law, such long-term debt incurred by local public entities is referred to as "local debt".

As described below, under the consulting system for creation of local debt, generally the Metropolis is required to consult with the MIC when it incurs local debt, but such consultation is not required for short-term debt. The authorisation to incur long-term debt is given by the budget, which is approved by the Assembly.

### ***National Governmental System Concerning Local Debt***

#### ***Consulting System for Creation of Local Debt***

The consulting system for creation of local debt was adopted in replacement of the former permission system for creation of local debt as at the fiscal year 2006 pursuant to the comprehensive legislation enacted in 1999 for the purpose of enhancing the independence of local public bodies in the management of their affairs.

Under the consulting system for creation of local debt by local public bodies, generally the creation of local debt is not subject to the permission of the MIC but prefectural governments are required to consult with the MIC when they incur local debt. A local public body may create local debt other than by loans from the Japanese Government or entities related to the Japanese Government without obtaining the consent of the MIC, if a report thereon is given to the assembly of such local public body in advance. However, a local public body continues to be required to obtain permission from the MIC in cases specified by law where creation of local debt by a local public body should be controlled by the MIC for securing the financial resources for the payment of the principal of and interest on local debt ("Bond Expenses"). A local public body may incur local debt by loans from the Japanese Government or entities related to the Japanese Government only if the consent of the MIC is obtained for creation of such local debt.

In order to promote the autonomy and independence of local public entities, this system was partially amended as of 1st February, 2012 by introducing a notification system with respect to the incurrence of local debt. Under the notification system, those local public entities looking to create local debt from sources other than the Japanese

Government or entities related to the Japanese Government will not, in principle, be required to consult in advance with the MIC, provided that the local public entity satisfies certain conditions, such as having a Real Deficit Ratio of less than 18 per cent. Local public entities, that do not meet such criteria but are looking to incur local debt, continue to be required to consult in advance with the MIC.

#### *Local Debt Plan*

The MIC prepares a local debt plan annually after consultation with the Ministry of Finance. The local debt plan is prepared based on the Local Financial Plan described below. The consent under the consulting system will be given based on the applicable local debt plan.

#### *Local Financial Plan*

The Local Financial Plan is a national governmental plan which is prepared by the Cabinet, submitted to the Diet and disclosed to the public every fiscal year. The Local Financial Plan contains estimates of the aggregate amount of revenues and expenditures to be included in the Ordinary Accounts of all local public bodies in Japan for the immediately following fiscal year.

In this Local Financial Plan, the main revenue items are local taxes, local allocation tax and local debt, and the main expenditure items are general administration expenses, investment expenses and Bond Expenses. Local allocation tax is a certain portion of taxes collected by the Japanese Government which is allocated by the Japanese Government to local public bodies pursuant to a certain standard for the purpose of securing all local public bodies a minimum percentage of financial resources to smooth out imbalances in financial resources among local public bodies. The Metropolis has never been allocated local allocation tax since the local allocation tax system was adopted in 1954.

The aggregate amount of the principal of newly incurred local debt and the aggregate amount of Bond Expenses are stated in the revenues and the expenditures of the Local Financial Plan, respectively. Therefore, the financial resources for Bond Expenses are planned to be secured at national level by balancing the expenditures, including Bond Expenses, against the revenues.

#### ***Summary of Outstanding Debt***

##### *Long-term debt*

The following table shows the outstanding balance of long-term debt as at 31st March, 2023, 2024 and 2025 for the Metropolis' General Account, Special Accounts and Public Enterprise Accounts:

	<b>31st March,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(millions of yen)</i>		
General Account .....	¥4,813,964	¥4,697,262	¥4,398,592
Special Accounts .....	615,010	569,199	587,210
Public Enterprise Accounts .....	2,118,829	2,063,230	1,889,614
Total long-term debt .....	¥7,547,804	¥7,329,690	¥6,885,416

##### *Short-Term Debt*

The Metropolis had no short-term debt (excluding the current portion of long-term debt) as at 31st March, 2023, 2024 and 2025.

##### *Payment Schedule*

The following table shows the unaudited payment schedule for the periods through fiscal year 2034 of the principal and interest on long-term debt outstanding as at 31st March, 2025:

##### *Payment schedule of the principal and interest on long-term debt outstanding as at 31st March, 2025*

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<i>(millions of yen)</i>		
2025 .....	¥938,415	¥52,254	¥990,669
2026 .....	748,631	48,681	797,312

Fiscal Year	Principal	Interest	Total
		<i>(millions of yen)</i>	
2027.....	617,880	45,924	663,804
2028.....	546,222	42,442	588,664
2029.....	622,680	37,578	660,258
2030.....	547,413	34,219	581,632
2031.....	476,404	31,835	508,239
2032.....	419,898	29,487	449,386
2033.....	407,598	24,942	432,540
2034.....	329,816	19,369	349,186

Notes:

- (a) Principal and interest payable in foreign currency are shown at the actual rate at the time of conversion of the proceeds into yen, unless a currency exchange contract is in effect, in which case it is shown at the contract rate.
- (b) All debt is fixed-rate debt.

### ***Debt Payment Record***

The Metropolis has not defaulted on payment of principal or interest on any indebtedness within a period of twenty years prior to the date of this Offering Circular.

### ***Outstanding Balance of Long-Term Debt of the Metropolis Classified by Source of Funds***

The long-term debt of the Metropolis can be classified into two categories; (i) debt incurred by loans from the Japanese Government or entities related to the Japanese Government and (ii) debt incurred by loans from financial institutions and the issue of bonds.

Of the total outstanding balance of long-term debt of the Metropolis as at 31st March, 2024, which amounted to ¥7,329,690 million, 12.4 per cent. represented debt incurred by loans from the Japanese Government or entities related to the Japanese Government (such as loans from the Japanese Government's Fiscal Loan Fund and loans extended by Japan Post Co., Ltd. ("Japan Post") and Japan Finance Organization for Municipalities) and 87.6 per cent. represented debt incurred by loans from financial institutions and the issue of bonds.

Of the total outstanding balance of long-term debt of the Metropolis as at 31st March, 2023, which amounted to ¥7,547,804 million, 12.5 per cent. represented debt incurred by loans from the Japanese Government or entities related to the Japanese Government (such as loans from the Japanese Government's Fiscal Loan Fund and loans extended by Japan Post and Japan Finance Organization for Municipalities) and 87.5 per cent. represented debt incurred by loans from financial institutions and the issue of bonds.

Of the total outstanding balance of long-term debt of the Metropolis as at 31st March, 2022, which amounted to ¥7,694,366 million, 12.7 per cent. represented debt incurred by loans from the Japanese Government or entities related to the Japanese Government (such as loans from the Japanese Government's Fiscal Loan Fund and loans extended by Japan Post and Japan Finance Organization for Municipalities) and 87.3 per cent. represented debt incurred by loans from financial institutions and the issue of bonds.

For the fiscal year 2025, the Metropolis plans to raise approximately ¥560 billion in the aggregate through bond offerings consisting of approximately ¥240 billion of 10-year bonds, approximately ¥800 billion of foreign debt, approximately ¥130 billion of green bonds, the proceeds of which it expects to use for certain "green" projects, social bonds, the proceeds of which it expects to use for certain "social" projects, and sustainability bonds, the proceeds of which it expects to use for certain "green" or "social" projects, and approximately ¥110 billion of bonds that may be issued at various times during the fiscal year and with various maturities. This issuance plan may be amended from time to time in accordance with funding needs, market conditions and other circumstances.

*Foreign debt remaining outstanding as at 31st March, 2026<sup>(a)</sup>*

	<b>Outstanding Amount</b>
	<i>(millions)</i>
5 <sup>7</sup> / <sub>100</sub> % Bonds due 2034 .....	€160
4 <sup>26</sup> / <sub>100</sub> % Bonds due 2032 .....	€294
4 <sup>27</sup> / <sub>100</sub> % Bonds due 2035 .....	€150
4 <sup>7</sup> / <sub>10</sub> % Bonds due 2033.....	€344
4 <sup>9</sup> / <sub>10</sub> % Bonds due 2035 .....	€318
1 <sup>1</sup> / <sub>8</sub> % Bonds due 2026.....	U.S.\$1,000

	<b>Outstanding Amount</b>
	<i>(millions)</i>
4 <sup>5</sup> / <sub>8</sub> % Bonds due 2026.....	U.S.\$500
4 <sup>3</sup> / <sub>4</sub> % Bonds due 2029.....	U.S.\$500
2 <sup>5</sup> / <sub>8</sub> % Bonds due 2029.....	€300
4 <sup>1</sup> / <sub>4</sub> % Bonds due 2030.....	U.S.\$500
2 <sup>5</sup> / <sub>8</sub> % Bonds due 2030.....	€300

Note:

(a) All foreign debt mentioned above is bullet maturity debt (with no amortisation features).

### **Reserve Fund**

Article 4-2 of the Local Finance Law directs that any local public body shall, in order to preserve its sound management, consider its financial situation not only in relation to the current fiscal year, but also with a view to subsequent fiscal years, when it undertakes budget preparation or implementation or any action that will result in an increase in expenditures or a decrease in revenues. The Metropolis has established various reserve funds for this purpose.

Reserve funds of the Metropolis include (i) general purpose funds, including an adjusting fund for finance reserved for the purpose of adjusting revenue sources between fiscal years and contributing to sound future finance management, (ii) special purpose funds for future special financial demands of the Metropolis, such as the resilience promotion fund, which was established in March 2023 to protect the livelihoods of Tokyo residents from natural disasters and other crises, and the fund to promote the installation of renewable energy equipment in new buildings, and (iii) a sinking fund reserve for the purpose of ensuring the financial sources for the Bond Expenses of the Metropolis and averaging the financial burden for such expenses over a long period of time. Some of these reserve funds are also available for general purposes.

The following table shows the outstanding balance of the Metropolis' reserve fund as at 31st March, 2023, 2024 and 2025:

	<b>31st March,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(millions of yen)</i>		
Funds for General Purposes.....	¥649,764	¥632,241	¥715,774
Adjusting Fund for Finance.....	649,764	632,241	715,774
Funds for Special Purposes.....	1,722,685	1,971,003	1,827,737
Social Infrastructure Improvement Fund.....	502,132	505,981	401,450
Tokyo Resilience Promotion Fund.....	300,000	450,015	531,231
Zero Emission Tokyo Promotion Fund	29,550	102,875	102,877
Fund for Realizing a Welfare-Advanced City.....	294,853	294,972	192,811
Others .....	596,150	617,160	599,368
Sinking Fund .....	1,542,645	1,493,614	1,460,084
Total.....	<b>¥3,915,095</b>	<b>¥4,096,858</b>	<b>¥4,003,595</b>

### **Status of Investments and Loans**

The Metropolis makes investments in and extends loans to certain entities.

Certain information is given below as to investments and loans made from the Metropolis' General Account and the Special Accounts. The following tables show the five largest entities and item (in terms of the outstanding balance of investments and loans as at 31st March, 2025) and the outstanding balance of investments in and loans to such five entities and item as at 31st March, 2023, 2024 and 2025, together with the total outstanding balance of investments and loans as at the same dates:

#### *Investments (including stocks and other contributions)*

	<b>31st March,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(millions of yen)</i>		
Total outstanding balance.....	¥1,398,623	¥1,508,317	¥1,583,840

	<b>31st March,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(millions of yen)</i>		
Of which:			
Japan Expressway Holding and Debt Repayment Agency.....	302,925	302,930	302,938
Tokyo Metropolitan University.....	147,931	147,931	147,931
Tokyo Waterfront Area Rapid Transit Inc. ....	43,521	43,521	43,521
Tokyo Kiraboshi Financial Group, Inc. ....	43,047	43,047	43,047
Tokyo Tama Intercity Monorail Co., Ltd.....	40,285	40,285	40,285

#### *Loans*

	<b>31st March,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(millions of yen)</i>		
Total outstanding balance.....	¥1,507,079	¥1,476,106	¥1,522,552
Of which:			
Loans under Institutionalised Financing Structure <sup>(a)</sup> .....	727,642	748,861	819,628
Tokyo Metropolitan Housing Supply Corporation .....	304,071	295,852	288,006
Tokyo Metropolitan Subway Construction Co., Ltd.....	160,000	140,000	120,000
Loans for Haneda Airport Re-expansion Project.....	105,160	100,651	94,875
Tokyo Metropolitan Hospital Loan.....	51,966	51,478	61,027

Note:

- (a) Loans under Institutionalised Financing Structure is an item of loans in a final statement which consists of loans to Credit Guarantee Corporation of Tokyo and two other entities.

#### *Indemnities*

In addition to outstanding debt, the Metropolis gives certain indemnities to third parties against losses caused by the non-payment of obligations by others, when authorised by the budget. The Metropolis has outstanding indemnities in the aggregate maximum amount of approximately ¥339 billion, of which ¥11 billion is the maximum amount which can become payable in the fiscal year 2026.

## TERMS AND CONDITIONS OF THE BONDS

*The following (except for paragraphs in italics) are the terms and conditions of the Bonds substantially in the form in which they will appear in the Fiscal Agency Agreement referred to below:*

### 1. **General**

The ● ● per cent. Bonds due ● (the "Bonds", which expression includes any further bonds issued pursuant to Condition 13 and forming a single series therewith) of The Metropolis of Tokyo (the "Metropolis") are constituted by a deed of covenant dated ● (as amended or supplemented from time to time, the "Deed of Covenant") entered into by the Metropolis and are the subject of a fiscal agency agreement dated ● (as amended or supplemented from time to time, the "Fiscal Agency Agreement") between the Metropolis and ● as fiscal agent (in such capacity, the "Fiscal Agent", which expression includes any successor fiscal agent appointed from time to time in connection with the Bonds), as paying agent (in such capacity, the "Paying Agent", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds), as registrar (in such capacity, the "Registrar", which expression includes any successor or additional registrars appointed from time to time in connection with the Bonds) and as transfer agent (in such capacity, the "Transfer Agent", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Bonds). References herein to the "Agents" are to the Fiscal Agent, the Registrar, the Transfer Agent and the Paying Agent and any reference to an "Agent" is to any one of them. Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and the Deed of Covenant and subject to their detailed provisions. The Bondholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement and the Deed of Covenant applicable to them. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection by Bondholders during normal business hours at the specified office of the Fiscal Agent, presently being at ●.

### 2. **Form and Status**

- (a) *Form:* The Bonds are in registered form, in the denomination of ● and integral multiples of ● in excess thereof, and are not exchangeable for bonds in bearer form.
- (b) *Status:* The Bonds are direct, unconditional and unsecured obligations of the Metropolis and rank *pari passu* and rateably without any preference among themselves and (with certain statutory exceptions) at least equally with all other unsecured obligations of the Metropolis from time to time outstanding.

### 3. **Registers, Title and Transfers**

- (a) *Registers:* The Registrar will maintain a register (the "Register") in respect of the Bonds in accordance with the provisions of the Fiscal Agency Agreement. In these Conditions, the "Holder" of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "Bondholder" shall be construed accordingly. A certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Bond shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Holder.
- (c) *Transfers:* Subject to Conditions 3(f) and 3(g) below, a Bond may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or Transfer Agent, together with such evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* no transfer may be made which would result in the principal amount of Bonds held by a holder and in respect of which a Certificate is to be issued being less than ●. Where not all the Bonds evidenced by the

surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor.

*Transfers of interests in the Bonds represented by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems, as described in "Summary of provisions relating to the Bonds while in Global Form".*

- (d) *Registration and delivery of Certificates:* Within five business days of the surrender of a Certificate in accordance with Condition 3(c) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Bonds transferred to each relevant Holder at its specified office or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar has its specified office.
- (e) *No charge:* The transfer of a Bond will be effected without charge by or on behalf of the Metropolis or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Bondholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Bonds.
- (g) *Regulations concerning transfers and registration:* All transfers of Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Metropolis with the prior written approval of the Registrar. A copy of the current regulations will be made available (free of charge) by the Registrar to any Bondholder who requests in writing a copy of such regulations.

#### 4. **Interest**

- (a) *Rate of Interest:* The Bonds bear interest from and including ● (the "Issue Date") at the rate of ● per cent. per annum (the "Rate of Interest"), payable in arrear on ● ● in each year (each, an "Interest Payment Date"), commencing on ● , subject as provided in Condition 7. Interest in respect of any Bond shall be calculated per ● in principal amount of the Bond (the "Calculation Amount"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until (and including) whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Fiscal Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).
- (b) *Amount of Interest and calculations:* The amount of interest payable on each Interest Payment Date shall be ● in respect of each Calculation Amount. If interest payable in respect of the Calculation Amount is required to be paid in respect of a Bond on any other date, it shall be calculated by applying the Rate of Interest to such Calculation Amount, multiplying the product by the relevant Day Count Fraction, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

"Calculation Period" means the relevant period for which interest is to be calculated from (and including) the first day in such period to (but excluding) the last day in such period; and

"Day Count Fraction" means, ●.

#### 5. **Redemption and Purchase**

- (a) *Final Redemption:* Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on ● .

- (b) *Redemption for Taxation Reasons:* If the Metropolis would on the occasion of the next payment due in respect of the Bonds be required as a result of any change in, or amendment to, the laws or regulations of Japan, or any political subdivision or any authority thereof or therein having power to tax (other than, in each case, the Metropolis), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after ● , and for reasons outside its control, to pay any Additional Amounts (as defined in Condition 8) pursuant to Condition 8, then the Metropolis may, at its option, upon giving not less than 30 nor more than 60 days' prior notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 14, redeem all (but not some only) of the Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption.
- (c) *Purchase:* The Metropolis may at any time purchase or otherwise acquire Bonds in the open market or otherwise. Bonds purchased by the Metropolis may be held or resold or, at the discretion of the Metropolis, may be surrendered to a Registrar for cancellation.
- (d) *Cancellation:* All Bonds redeemed or purchased and surrendered by the Metropolis as aforesaid shall be cancelled forthwith and may not be reissued or resold.

## 6. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Certificates are surrendered for payment within ten years of the appropriate Relevant Date (as defined below).

## 7. Payments

- (a) *Principal:* Payments of principal shall be made by U.S. dollar cheque drawn on, or, upon application by a Holder of a Bond to the specified office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the specified office of the Paying Agent.
- (b) *Interest:* Payments of interest shall be made by ● cheque drawn on, or upon application by a Holder of a Bond to the specified office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a ● account maintained by such Holder with, a bank in ● and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the specified office of the Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Bondholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a ● account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of the Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 7 arriving after the due date for payment or being lost in the mail. In this paragraph, "business day" means any day on which banks are open for general business (including dealings in foreign currencies) in ●, London and Tokyo and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

- (e) *Partial payments:* If the Paying Agent makes a partial payment in respect of any Bond, the Metropolis shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- (f) *Record date:* Each payment in respect of a Bond will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "Record Date"). Where payment in respect of a Bond is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.
- (g) *Agents:* The initial Fiscal Agent, the initial Paying Agent, the initial Registrar and the initial Transfer Agent and their specified offices are set out at the end of these terms and conditions. The Metropolis reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Registrar or Transfer Agent and to appoint additional or other Paying Agents, Registrars or Transfer Agents or another Fiscal Agent, provided that it will at all times maintain a Fiscal Agent and a Registrar. Notice of any such termination or appointment and of any changes in the specified offices of the Fiscal Agent, the Paying Agent, the Registrar or the Transfer Agent will be given to the Bondholders in accordance with Condition 14.

## 8. **Taxation**

- (a) *Taxation:* All payments of principal and interest by or on behalf of the Metropolis in respect of the Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority therein or thereof having power to tax ("Taxes"), unless the withholding or deduction of such Taxes is required by law. In that event, the Metropolis will pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Bonds in the absence of such withholding or deduction; except that no Additional Amounts shall be payable:
  - (i) to, or to a third party on behalf of a Holder or beneficial owner of a Bond that is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Bond by reason of:
    - (A) its having some connection with Japan other than the mere holding of, receipt of interest on, or the enforcement of its rights under, such Bond; or
    - (B) its being a party having a special relationship with the Metropolis as described in Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Act on Special Measures Concerning Taxation") (a "Specially-Related Party of the Metropolis");
  - (ii) to, or to a third party on behalf of a Holder or beneficial owner of a Bond that would otherwise be exempt from any such withholding or deduction but that fails to comply with any applicable requirement to provide Interest Recipient Information (as defined in paragraph (b) below) or to submit a Written Application for Tax Exemption (as defined in paragraph (b) below) to the Paying Agent, or whose Interest Recipient Information is not duly communicated through the Participant (as defined in paragraph (b) below) and the relevant international clearing organisation to the Paying Agent;
  - (iii) to, or to a third party on behalf of a Holder or beneficial owner of Bond that is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Designated Financial Institution (as defined in paragraph (b) below) that complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and (B) an individual resident of Japan or a Japanese corporation that duly notifies the Paying Agent of its status as not being subject to Taxes to be withheld or deducted by the Metropolis by reason of such

individual resident of Japan or Japanese corporation receiving interest on the relevant Bond through a payment handling agent in Japan appointed by it);

- (iv) where the Bonds are presented for payment (where such presentation is required) more than 30 days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such Additional Amounts on presenting the same for payment at the expiry of such 30-day period;
- (v) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be treated as income, for Japanese tax purposes, of a beneficiary or settlor with respect to such fiduciary or a partner of such partnership or other beneficial owner, in each case, who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or other beneficial owner been the Holder of such Bond; or
- (vi) in any case that is a combination of any of paragraphs (i) to (v) above.

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly given to the Bondholders in accordance with Condition 14.

(b) *Definitions:* For the purposes of Conditions 8(a)(ii) and 8(a)(iii) above:

- (i) where a Bond is held through a certain participant of an international clearing organisation or a certain financial intermediary (each, a "Participant"), in order to receive payments free of withholding or deduction by the Metropolis for, or on account of, Taxes, if the beneficial owner of the relevant Bond is:
  - (A) an individual non-resident of Japan or a non-Japanese corporation (other than a Specially-Related Party of the Metropolis); or
  - (B) a Japanese financial institution falling under certain categories prescribed by the Act on Special Measures Concerning Taxation, and the cabinet order (Cabinet Order No. 43 of 31st March, 1957, as amended) thereunder (together with ministerial ordinances and other regulations thereunder, the "Law") (a "Designated Financial Institution"),

all in accordance with the Law, such beneficial owner shall, at the time of entrusting a Participant with the custody of the relevant Bond, provide certain information prescribed by the Law to enable the Participant to establish that such beneficial owner is exempted from the requirement for Taxes to be withheld or deducted (the "Interest Recipient Information") and advise the Participant if such beneficial owner ceases to be so exempted (including the case where the beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation becomes a Specially-Related Party of the Metropolis); and

- (ii) where a Bond is not held through a Participant, in order to receive payments free of withholding or deduction by the Metropolis for, or on account of, Taxes, if the beneficial owner of the relevant Bond is:
  - (A) an individual non-resident of Japan or a non-Japanese corporation (other than a Specially-Related Party of the Metropolis); or
  - (B) a Designated Financial Institution,

all in accordance with the Law, such beneficial owner shall, prior to each time on which it receives interest, submit to the Paying Agent a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (a "Written Application for Tax Exemption") in the form obtainable from such Paying Agent stating, *inter alia*, the name and address (and, if applicable, the Japanese individual or corporation identification number) of such

beneficial owner, the title of the Bonds, the relevant interest payment date, the amount of interest and the fact that such beneficial owner is qualified to submit the Written Application for Tax Exemption, together with the documentary evidence regarding its identity and residence.

Any reference in these terms and conditions to principal or interest shall be deemed also to refer to any Additional Amounts payable under this Condition 8.

9. **Events of Default**

If any one or more of the following events shall have occurred and be continuing:

- (i) *Non-payment:* A default is made in the payment of any interest in respect of any of the Bonds when and as the same ought to be paid in accordance therewith and for 30 days thereafter; or
- (ii) *Breach of other obligations:* A default is made in the performance or observance by the Metropolis of any other obligation under the Bonds or the Deed of Covenant and (except where such failure is not capable of remedy, when no such notice shall be required) such default shall continue for 60 days after written notice requiring such default to be remedied shall have been given to the Metropolis by the holders of not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding; or
- (iii) *Cross-acceleration:* (a) Any indebtedness of the Metropolis for borrowed moneys exceeding in the aggregate U.S.\$10,000,000 (or its equivalent in any other currency or currencies) is accelerated as a result of a default by any person or any event treated in effect as a default or (b) the Metropolis defaults in the repayment or discharge of any such indebtedness when due or at the expiration of any grace period originally applicable thereto or (c) the Metropolis fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys exceeding in the aggregate U.S.\$10,000,000 (or its equivalent in any other currency or currencies) given by it, and such acceleration is not rescinded or annulled or such default or failure is not remedied within 60 days after written notice thereof shall have been given to the Metropolis by the holders of not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding; or
- (iv) *Moratorium:* A moratorium is declared in respect of all or any part of the indebtedness of the Metropolis; or
- (v) *Abolishment:* The Metropolis is abolished except in the case where another entity effectively assumes the entire obligations of the Metropolis under the Bonds,

then any Bondholder may give notice to the Metropolis that such Bond is immediately repayable whereupon such Bond shall become immediately repayable at its principal amount together with interest accrued to (but excluding) the date of actual repayment unless prior to the time when the Metropolis receives such notice all events of default provided for herein in respect of the Bonds shall have been cured.

10. **Fiscal Agent, Paying Agent, Registrar and Transfer Agent**

In acting under the Fiscal Agency Agreement, the Fiscal Agent, Paying Agent, Registrar and Transfer Agent are acting solely as agents of the Metropolis and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Bondholders, except that (without affecting the obligations of the Metropolis to the Bondholders to repay the Bonds in accordance with their terms) any funds received by the Fiscal Agent for the payment of the principal or interest on the Bonds shall, to the extent permitted by law, be held by it in trust for the Bondholders, as the case may be, until the expiration of the periods of prescription in Condition 6.

The Fiscal Agency Agreement may be amended by the parties thereto, without the consent of any Bondholder, if in the reasonable opinion of the Metropolis and the Fiscal Agent the amendment will not adversely affect the interests of the Bondholders.

11. **Replacement of Certificates**

Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced with a new Certificate at the specified office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Metropolis may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. **Meetings of Bondholders**

The Fiscal Agency Agreement contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including modification by extraordinary resolution (being a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions contained in the Fiscal Agency Agreement by a majority consisting of not less than 75 per cent. of the principal amount represented at the meeting) of the Bonds (including their terms and conditions) and the Deed of Covenant. An extraordinary resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not. Any modification, *inter alia*, postponing the date of maturity of the Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Bonds, altering the currency of account or the currency of payment of the Bonds will only be binding if passed at a meeting of Bondholders (or at any adjournment thereof) at which a special quorum (provided for in the Fiscal Agency Agreement, being two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, 50 per cent. of the aggregate principal amount, of the outstanding Bonds) is present.

13. **Further Issues**

The Metropolis may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Metropolis may determine at the time of their issue. References in these terms and conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

14. **Notices**

Notices to the Bondholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the seventh day after the date of mailing.

*So long as the Bonds are evidenced by the Global Certificate and such Bonds are held on behalf of a clearing system, notices to Bondholders shall be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for mailing required by these Conditions.*

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

16. **Governing Law**

The Bonds, and any non-contractual obligations arising out of or in connection with the Bonds, are governed by, and shall be construed in accordance with, English law.

The Metropolis hereby irrevocably and unconditionally submits to the jurisdiction of the English courts for all purposes in connection with this Bond appertaining hereto (including any non-contractual obligation arising out of or in connection with the Bonds) and in relation thereto the Metropolis hereby irrevocably appoints ● at its specified office for the time being in London (presently being at ●, United Kingdom (marked for the attention of the Head of Legal Department)) as its authorised agent upon whom process may be served in any action or proceedings of or in the courts of England arising out of or relating to this Bond (including any non-contractual obligation arising out of or in connection with the Bonds).

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

Transfers of interests in the Bonds in respect of which the Global Certificate is issued shall be effected through the records of the relevant clearing system and their respective participants in accordance with the rules and procedures of the relevant clearing system and their respective direct and indirect participants.

Upon issue, the Bonds will be evidenced by the Global Certificate which will be deposited with, and registered in the name of the nominee for, the common depository for Euroclear and Clearstream, Luxembourg.

References in the Terms and Conditions of the Bonds to the "Holder" or the "Bondholder" are references to the person in whose name such Global Certificate is for the time being registered in the Register which, for so long as the Global Certificate is held by or on behalf of a common depository for Euroclear and/or Clearstream, Luxembourg, will be that common depository or a nominee for that common depository.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in the Global Certificate (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Metropolis to the Holder of such Global Certificate and in relation to all other rights arising under such Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the Bonds are evidenced by the Global Certificate, Accountholders shall have no claim directly against the Metropolis in respect of payments due under the Bonds and such obligations of the Metropolis will be discharged by payment to the Holder of the Global Certificate.

### Conditions Applicable to Bonds Evidenced by the Global Certificate

The Global Certificate will contain provisions which modify the effect of the terms and conditions of the Bonds set out in this Offering Circular. The following is a summary of those provisions:

#### 1. Exchange

The Global Certificate will become exchangeable in whole, but not in part, for Definitive Certificates if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 occurs.

Whenever the Global Certificate is to be exchanged for Definitive Certificates, such Definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any Bondholder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In the event that Definitive Certificates for the Bonds are issued, a Bondholder who holds a principal amount of less than ● will not receive a Definitive Certificate in respect of such holding and would need to purchase a principal amount of Bonds such that it holds an amount of ● or above in integral multiples of ● thereof.

If:

- (a) Definitive Certificates have not been issued and delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; or
- (b) any of the Bonds evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not

been made to the Holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then, at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Bonds (each an "Accountholder") shall acquire under the Deed of Covenant rights of enforcement against the Metropolis ("Direct Rights") to compel the Metropolis to perform its obligations to the Holder of the Global Certificate in respect of the Bonds evidenced by the Global Certificate, including the obligation of the Metropolis to make all payments when due at any time in respect of such in accordance with the Conditions as if such Bonds had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Certificate may have under the Global Certificate or otherwise. Payment to the Holder of the Global Certificate in respect of any Bonds evidenced by the Global Certificate shall constitute a discharge of the Metropolis' obligations under the Bonds and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Metropolis to make any payment under the Bonds to or to the order of any person other than the Holder of the Global Certificate.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Bondholders in the manner provided for in the Conditions or the Global Certificate for notices to be given by the Metropolis to Bondholders.

## 2. **Payments**

In the case of all payments made in respect of the Global Certificate, "business day" means any day which is a day on which dealings in foreign currencies may be carried on in New York City, London and Tokyo.

Each payment in respect of the Bonds evidenced by the Global Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (for the purposes of the Bonds evidenced by such Global Certificate, such date being the "Record Date") where "Clearing System Business Day" means a day on which each clearing system for which the Global Certificate is being held is open for business.

## 3. **Notices**

So long as the Bonds are evidenced by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to holders of Bonds evidenced by the Global Certificate may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing required by the terms and conditions of the Bonds. Such notices shall be deemed to have been given in accordance with the Conditions on the date of delivery to the relevant clearing system.

## 4. **Meetings**

The Holder of the Bonds in respect of which the Global Certificate is issued shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each ● of Bonds in respect of which a Global Certificate is issued.

## 5. **Electronic Consent and Written Resolution**

While any Global Certificate is held on behalf of a clearing system, then:

- a. approval of a resolution proposed by the Metropolis given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (an "Electronic Consent" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special

quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders whether or not they participated in such Electronic Consent; and

- b. where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Metropolis shall be entitled to rely on consent or instructions given in writing directly to the Metropolis by (a) accountholders in the clearing system with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Metropolis shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "relevant clearing system") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Metropolis nor the Fiscal Agent shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

6. **Redemption at the Option of the Metropolis**

The option of the Metropolis to redeem the Bonds prior to maturity provided for in Condition 5(b) shall be exercised or performed by the Metropolis giving notice to the Bondholders within the time limits relating thereto set out in and containing the information required of the Metropolis in accordance with such Condition.

7. **Purchase and Cancellation**

Cancellation of any Bonds evidenced by the Global Certificate required by the terms and conditions of the Bonds to be cancelled following its purchase will be effected by a reduction in the principal amount of the Bonds evidenced by the Global Certificate. A record of such reduction will be endorsed in the appropriate schedule of the Global Certificate.

## TAXATION

The tax laws of the investor's state and of the Metropolis' state of incorporation might have an impact on the income received from the securities. Prospective purchasers of Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries.

### Japan

*The following is a general description of certain Japanese tax aspects of the Bonds and does not purport to be a comprehensive description of the tax aspects of the Bonds. Prospective purchasers should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive.*

*Prospective purchasers are advised to consult their own legal, tax, accountancy or other professional advisers in order to ascertain their particular circumstances regarding taxation. The statements below are based on current tax laws and regulations in Japan and current income tax treaties executed by Japan all as in effect on the date hereof, all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any person purchasing, selling or otherwise dealing in the Bonds or any tax implication arising from the purchase, sale or other dealings in respect of the Bonds.*

### ***Representation by Investors upon Primary Distribution (Boshu)***

**BY SUBSCRIBING FOR THE BONDS, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) BELOW:**

- (i) A beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person (a "Specially-Related Party of the Metropolis") having a "special relationship" with the Metropolis (that is, currently, in general terms, a party who is directly or indirectly controlled by the Metropolis) as described in Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Act on Special Measures Concerning Taxation"); or
- (ii) A beneficial owner that is a Japanese financial institution, designated in Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation.

### ***The Bonds are Not "Taxable-Linked Securities"***

The Bonds do not constitute "taxable linked securities" as prescribed by Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation (being securities for which the amount of interest is to be calculated by reference to certain indexes (as prescribed by Article 3-2-2, paragraph (8) of the Cabinet Order No. 43 of 1957, as amended (the "Cabinet Order") relating to the Act on Special Measures Concerning Taxation) relating to the Metropolis or a Specially-Related Party of the Metropolis).

### ***Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance Tax and Gift Tax***

Gains derived from the sale of Bonds outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by Bondholders in connection with the issue of the Bonds, nor will such taxes be payable by Bondholders in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired Bonds from another individual as legatee, heir or donee.

## **Interest Payments on Bonds and Redemption Gain**

*The following description of Japanese taxation (limited to national taxes) (subject to the relevant tax treaty between Japan and the relevant country) applies exclusively to interest on the Bonds and the redemption gain, meaning any positive difference between the acquisition price of the interest-bearing Bonds of the holder and the amount which the holder receives upon redemption of such interest-bearing Bonds (the "Redemption Gain"), where such Bonds are issued by the Metropolis outside Japan and payable outside Japan. In addition, the following description assumes that the Bonds will only be evidenced by the Global Certificate, and no Bonds evidenced by Definitive Certificates that are independently traded are issued, in which case different tax consequences may apply. It is not intended to be exhaustive and prospective purchasers are recommended to consult their tax advisers as to their exact tax position.*

### **1. Non-Japanese-resident Investors**

If the recipient of interest on the Bonds or of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes, as described below, the Japanese tax consequences on such individual non-resident of Japan or non-Japanese corporation are significantly different depending upon whether such individual non-resident of Japan or non-Japanese corporation is a Specially-Related Party of the Metropolis (as defined below). Most importantly, if such individual non-resident of Japan or non-Japanese corporation is a Specially-Related Party of the Metropolis, income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Metropolis under Japanese tax law.

#### **1.1 Interest**

- (1) If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the Bonds is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if certain requirements are complied with, *inter alia*:
  - (i) if the relevant Bonds are held through a certain participant in an international clearing organisation such as Euroclear or Clearstream, Luxembourg or a certain financial intermediary prescribed by the Act on Special Measures Concerning Taxation and the relevant Cabinet Order (together with the Act on Special Measures Concerning Taxation and the ministerial ordinance and other regulations thereunder, the "Law") (each, a "Participant"), the requirement that such recipient provide, at the time of entrusting a Participant with the custody of the relevant Bonds, certain information prescribed by the Law to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the "Interest Recipient Information"), and advise the Participant if such individual non-resident of Japan or non-Japanese corporation ceases to be so exempted (including the case where it becomes a Specially-Related Party of the Metropolis), and that the Metropolis prepare and file a certain confirmation prescribed by the Law ("Interest Recipient Confirmation") with the competent local tax office in a timely manner based upon the Interest Recipient Information communicated through the Participant and the relevant clearing organisation; and
  - (ii) if the relevant Bonds are not held by a Participant, the requirement that such recipient submit to the Fiscal Agent or the Paying Agent (as the case may be) a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (the "Written Application for Tax Exemption"), together with certain documentary evidence, and that the Metropolis file the Written Application for Tax Exemption so received with the competent local tax office in a timely manner.

Failure to comply with such requirements described above (including the case where the Interest Recipient Information is not duly communicated as required under the Law) will result in the withholding by the Metropolis of income tax at the rate of 15.315 per cent. of the amount of such interest.

- (2) If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of interest is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15.315 per cent. withholding tax by the Metropolis, if the requirements concerning the Interest Recipient Information and the Interest Recipient Confirmation or the Written Application for Tax Exemption as set out in paragraph 1.1(1) above are complied with. Failure to do so will result in the withholding by the Metropolis of income tax at the rate of 15.315 per cent. of the amount of such interest. The amount of such interest will be subject to regular income tax or corporate tax, as appropriate.
- (3) Notwithstanding paragraphs 1.1(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a person who has a special relationship with the Metropolis (that is, currently, in general terms, a party who is directly or indirectly controlled by the Metropolis) within the meaning prescribed by the Cabinet Order under Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation (such person is referred to as a "Specially-Related Party of the Metropolis") as at the beginning of the fiscal year of the Metropolis in which the relevant Interest Payment Date falls, the exemption from Japanese withholding tax on interest mentioned above will not apply, and income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Metropolis. If such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, regular income tax or corporate tax, as appropriate, collected otherwise than by way of withholding, could apply to such interest under Japanese tax law.
- (4) If an individual non-resident of Japan or a non-Japanese corporation (regardless of whether it is a Specially-Related Party of the Metropolis) is subject to Japanese withholding tax with respect to interest on the Bonds under Japanese tax law, a reduced rate of withholding tax or exemption from such withholding tax may be available under the relevant income tax treaty between Japan and the country of tax residence of such individual non-resident of Japan or non-Japanese corporation. As of the date of this Offering Circular, Japan has income tax treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10 per cent. with, *inter alia*, Australia, Canada, Finland, France, Hong Kong, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal and Singapore. Under the income tax treaties between Japan and Austria, Belgium, Denmark, Germany, Spain, Sweden, Switzerland, the United Kingdom or the United States of America, interest paid to qualified Austrian, Belgian, Danish, German, Spanish, Swedish, Swiss, United Kingdom or United States residents is generally exempt from Japanese withholding tax (for Belgium, only for a Belgian enterprise). Under the current income tax treaties between Japan and Australia, France, the Netherlands or New Zealand, certain limited categories of qualified Australian, French, Dutch or New Zealand residents receiving interest on the Bonds may, subject to compliance with certain procedural requirements under Japanese law, be fully exempt from Japanese withholding tax for interest on the Bonds (provided that no exemption will apply to pension funds in the case of Australia and New Zealand). In order to avail themselves of such reduced rate of, or exemption from, Japanese withholding tax under any applicable income tax treaty, individual non-residents of Japan or non-Japanese corporations which are entitled, under any applicable income tax treaty, to a reduced rate of, or exemption from, Japanese withholding tax on payment of interest by the Metropolis are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Interest (as well as any other required forms and documents) in advance through the Metropolis to the relevant tax authority before payment of interest.
- (5) Under the Law, (a) if an individual non-resident of Japan or a non-Japanese corporation that is a beneficial owner of the Bonds becomes a Specially-Related Party of the Metropolis, or an individual non-resident of Japan or a non-Japanese corporation that is a Specially-Related Party of the Metropolis becomes a beneficial owner of the Bonds, and (b) if such Bonds are held through a Participant, then such individual non-resident of Japan or non-Japanese corporation would be obligated to notify the Participant of such change in status by the immediately following Interest Payment Date of the Bonds. As described in paragraph 1.1(3) above, as the status of such individual non-resident of Japan or non-Japanese corporation as a Specially-Related Party of the Metropolis for Japanese withholding tax purposes is determined based on the status as at the beginning of the fiscal year of the Metropolis in which the relevant Interest

Payment Date falls, such individual non-resident of Japan or non-Japanese corporation should, by such notification, identify and advise the Participant of the specific Interest Payment Date on which Japanese withholding tax starts to apply with respect to such individual non-resident of Japan or non-Japanese corporation as being a Specially-Related Party of the Metropolis.

## 1.2 Redemption Gain

- (1) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of such Redemption Gain is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no income tax or corporate tax is payable with respect to such Redemption Gain.
- (2) If the recipient of the Redemption Gain with respect to the Bonds is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of such Redemption Gain is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such Redemption Gain will not be subject to any withholding tax but will be subject to regular income tax or corporate tax, as appropriate.
- (3) Notwithstanding paragraphs 1.2(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a Specially-Related Party of the Metropolis as at the beginning of the fiscal year of the Metropolis in which such individual non-resident of Japan or non-Japanese corporation acquired such Bonds, the Redemption Gain will not be subject to withholding tax but will be subject to regular income tax or corporate tax, as appropriate, under Japanese tax law, regardless of whether such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan; provided that exemption may be available under the relevant income tax treaty.

## 2. Japanese Resident Investors

If the recipient of interest on the Bonds is an individual resident of Japan or a Japanese corporation for Japanese tax purposes, as described below, regardless of whether such recipient is a Specially-Related Party of the Metropolis, in addition to any applicable local tax, income tax will be withheld at the rate of 15.315 per cent. of the amount of such interest, if such interest is paid to an individual resident of Japan or a Japanese corporation (except for (i) a Designated Financial Institution (as defined below) which complies with the requirement for tax exemption under Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation or (ii) a Public Corporation (as defined below) or a Specified Financial Institution (as defined below), to which such interest is paid through the Japanese Custodian (as defined below) in compliance with the requirement for tax exemption under Article 3-3, paragraph (6) of the Act on Special Measures Concerning Taxation).

In addition to the withholding tax consequences upon resident investors as explained in this section, resident investors should consult their own tax advisors regarding regular income tax or corporate tax consequences otherwise than by way of withholding, bearing in mind, especially for individual residents of Japan, the change to the taxation regime of bonds which took effect on 1st January, 2016.

### 2.1 Interest

- (1) If an individual resident of Japan or a Japanese corporation (other than a Specified Financial Institution (as defined below) or a Public Corporation (as defined below), who complies with the requirement as referred to in paragraph 2.1(2) below) receives payments of interest on the Bonds through certain Japanese payment handling agents (each a "Japanese Payment Handling Agent"), income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Japanese Payment Handling Agent rather than by the Metropolis. As the Metropolis is not in a position to know in advance the recipient's status, the recipient of interest falling within this category should inform the Metropolis through the Paying Agent of its status in a timely manner. Failure to so inform may result in double withholding.

- (2) If the recipient of interest on the Bonds is a Japanese public corporation or a Japanese public-interest corporation designated by the relevant law (*koukyohojin tou*) (each, a "Public Corporation") or a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the relevant Cabinet Order under Article 3-3, paragraph (6) of the Act on Special Measures Concerning Taxation (each, a "Specified Financial Institution") that keeps its Bonds deposited with, and receives the interest through, a Japanese Payment Handling Agent with custody of the Bonds (the "Japanese Custodian") and such recipient submits through such Japanese Custodian to the competent tax authority the report prescribed by the Law, no withholding tax is levied on such interest. However, since the Metropolis is not in a position to know in advance the recipient's such tax exemption status, the recipient of interest falling within this category should inform the Metropolis through the Paying Agent of its status in a timely manner. Failure to so notify the Metropolis may result in the withholding by the Metropolis of a 15.315 per cent. income tax.
- (3) If an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution which complies with the requirements described in paragraph 2.1(4) below) receives interest on the Bonds not through a Japanese Payment Handling Agent, income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Metropolis.
- (4) If a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the Cabinet Order under Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation (each, a "Designated Financial Institution") receives interest on the Bonds not through a Japanese Payment Handling Agent and the requirements concerning the Interest Recipient Information and the Interest Recipient Confirmation or the Written Application for Tax Exemption as referred to in paragraph 1.1(1) above are complied with, no withholding tax will be imposed.

## 2.2 Redemption Gain

If the recipient of the Redemption Gain is an individual resident of Japan or a Japanese corporation, such Redemption Gain will not be subject to any withholding tax.

## 3. Special Additional Taxes for Reconstruction from the Great East Japan Earthquake and for Strengthening Japan's National Defence Capabilities

Due to the imposition of a special additional withholding tax of 0.315 per cent. (or 2.1 per cent. of 15 per cent.) to secure funds for reconstruction from the Great East Japan Earthquake (the "reconstruction surtax"), the withholding tax rate has been effectively increased to 15.315 per cent. on and after 1st January, 2013. This overall 15.315 per cent. withholding tax rate continues to apply until 31st December, 2047, while the breakdown of the 0.315 per cent. surtax portion is (i) the reconstruction surtax of 0.315 per cent. (or 2.1 per cent. of 15 per cent.) until 31st December, 2026, and (ii) during the period beginning on 1st January, 2027 and ending on 31st December, 2047, the reconstruction surtax of 0.165 per cent. (or 1.1 per cent. of 15 per cent.) and another special additional withholding tax of 0.15 per cent. (or 1.0 per cent. of 15 per cent.) to fund strengthening Japan's national defence capabilities (the "defence surtax"). The 2026 tax reform, which was promulgated on 31st March, 2026, has introduced the defence surtax, while accordingly reducing the reconstruction surtax, to maintain the overall 15.315 per cent. withholding tax rate. On or after 1st January, 2048, the overall withholding tax rate will be 15.15 per cent., instead of 15.315 per cent., where the only surtax will be the defence surtax of 0.15 per cent. (or 1.0 per cent. of 15 per cent.). All references to the tax rate of 15.315 per cent. in the foregoing descriptions should be read accordingly, taking into account these developments. There are also reconstruction surtax and defence surtax imposed in relation to regular income tax due other than by way of withholding for individual non-residents of Japan, as referred to in the foregoing descriptions, for the period described above.

## CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Metropolis believes to be reliable, but neither the Metropolis nor the Joint Lead Managers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Metropolis and any other party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **Clearing Systems**

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Registration and Form**

Book entry interests in the Bonds held through Euroclear and Clearstream, Luxembourg will be evidenced by the Global Certificate registered in the name of a nominee of, and held by, a common depository for Euroclear and Clearstream, Luxembourg. As necessary, the Registrar will adjust the amounts of Bonds on the Register for the accounts of Euroclear and Clearstream, Luxembourg to reflect the amounts of Bonds held through Euroclear and Clearstream, Luxembourg. Beneficial ownership of book entry interests in Bonds will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book entry interests in the Bonds in Euroclear and Clearstream, Luxembourg will be reflected in the book entry accounts of each such institution. Euroclear or Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book entry interests in the Bonds will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book entry interests in the Bonds. The Registrar will be responsible for maintaining a record of the aggregate holdings of Bonds registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg and/or, if individual Certificates are issued in the limited circumstances described in the Global Certificate, holders of Bonds evidenced by those Definitive Certificates. The Fiscal Agent will be responsible for ensuring that payments received by it from the Metropolis for holders of book entry interests in the Bonds holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Metropolis will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream, Luxembourg.

### **Clearing and Settlement Procedures**

#### ***Initial Settlement***

Upon their original issue, the Bonds will be in global form represented by the Global Certificate. Interests in the Bonds will be in uncertified book entry form. Purchasers holding book entry interests in the Bonds through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Book entry interests in the Bonds will be credited to Euroclear and Clearstream,

Luxembourg participants' securities clearance accounts on the business day following the Closing Date against payment (value the Closing Date).

### ***Secondary Market Trading***

Secondary market trades in the Bonds will be settled by transfer of title to book entry interests in the Clearing Systems. Title to such book entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with their respective procedures. Book entry interests in the Bonds may be transferred within Euroclear and within Clearstream, Luxembourg and between Euroclear and Clearstream, Luxembourg in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg.

### **General**

Neither Euroclear nor Clearstream, Luxembourg is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Metropolis or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

## SUBSCRIPTION AND SALE

• , • , • and • (together, the "Joint Lead Managers") have, pursuant to a subscription agreement dated • (the "Subscription Agreement"), agreed with the Metropolis, subject to the satisfaction of certain conditions, severally but not jointly, to purchase the aggregate principal amount of the Bonds as indicated in the table below at the issue price of • per cent. of their principal amount (the "Issue Price"):

<b>Joint Lead Managers</b>	<b>Aggregate Principal Amount of the Bonds</b>
•	U.S.\$ •
•	U.S.\$ •
•	U.S.\$ •
•	U.S.\$ •
Total .....	U.S.\$ •

The Metropolis has agreed to pay to the Joint Lead Managers a total combined management and underwriting commission and selling concession of • per cent. of the principal amount of the Bonds. In addition, the Metropolis has agreed to reimburse the Joint Lead Managers for certain expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Metropolis.

Save as discussed above, so far as the Metropolis is aware, no person involved in the offer of the Bonds has an interest material to the Bonds.

### **Selling Restrictions**

#### ***United States of America***

The Bonds have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Bonds are being offered or sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and such Joint Lead Manager will have sent to each dealer to which it sells Bonds during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Bonds, any offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### ***United Kingdom***

Each Joint Lead Manager has agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Metropolis; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## ***Japan***

The Bonds are exempt from the requirement for registration under the Financial Instruments and Exchange Act and are subject to the Act on Special Measures Concerning Taxation. Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell as part of its primary distribution (*boshu*) at any time, any Bonds to, or for the benefit of, any person other than:

- (i) a beneficial owner that is, for Japanese tax purposes, neither:
  - (x) an individual resident of Japan or a Japanese corporation; nor
  - (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Party of the Metropolis (that is, currently, in general terms, a party who is directly or indirectly controlled by the Metropolis) as described in Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation; or
- (ii) a beneficial owner that is a Japanese financial institution, designated in Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation.

## ***Hong Kong***

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## ***Singapore***

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold the Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## ***General***

Some of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Metropolis. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Metropolis. Certain of the Joint Lead Managers and their affiliates that have a lending relationship with the Metropolis

routinely hedge their credit exposure to the Metropolis consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Metropolis' securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **OFFICIAL STATEMENTS**

The Metropolis has included the information in this Offering Circular (including but not limited to the financial statements in pages A-3 to A-55 (both inclusive)), whose source is identified as a publication of the Metropolis, Japan or one of their respective agencies or instrumentalities in reliance on the authority of the publication as a public official document. All other information that the Metropolis has provided in this Offering Circular under the captions "Presentation of Financial Information", "Risk Factors", "The Metropolis of Tokyo" and "General Information" have been supplied by the Metropolis on the authority of public officials of the Metropolis.

## GENERAL INFORMATION

1. The issue of the Bonds was duly authorised by the Governor on ●.
2. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The ISIN for the Bonds is ● and the Common Code for the Bonds is ●.
3. The listing of the Bonds on the Official List will be expressed in ● as a percentage of their principal amount (excluding accrued interest). It is expected that the admission of the Bonds to listing on the Official List and admission of the Bonds to trading on the Main Market will be granted on ● (to take effect on ●). Prior to its official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. The total expenses related to the admission of trading are estimated to be ●. If, despite the reasonable endeavours of the Metropolis once listing has been obtained, maintaining a listing of the Bonds on the Official List is impossible, impracticable or unduly onerous, the Metropolis may apply for a de-listing of the Bonds from the Official List and will use its reasonable endeavours to obtain and maintain a listing of the Bonds on another leading stock exchange for the listing of equivalent securities.
4. It is expected that the listing of the Bonds on the TOKYO PRO-BOND Market will take effect on ●. The listing of the Bonds on the TOKYO PRO-BOND Market is expected to take effect as an issue under a bond issuance programme of the Metropolis listed on such market. There are no expenses related to the listing of such programme on the TOKYO PRO-BOND Market. If maintaining a listing of the Bonds on the TOKYO PRO-BOND Market is impossible, impracticable or unduly onerous, the Metropolis may stop making efforts to continue the listing of the Bonds on the TOKYO PRO-BOND Market.

TOKYO PRO-BOND Market is a market principally for professional investors and bonds listed on the market ("TOKYO PRO-BOND Market Listed Bonds") may involve high investment risk. Investors should act with responsibility and be aware of the listing qualification, timely disclosure requirements that apply to issuers of TOKYO PRO-BOND Market Listed Bonds and associated risks such as the fluctuation in market prices. Prospective investors should make an investment judgment only after having carefully considered the contents of this Offering Circular.

The Tokyo Stock Exchange does not make any representations or warranties with regard to any part of this Offering Circular (including, but not limited to, whether this Offering Circular (a) contains a false statement on important matters or (b) lacks a statement on: (i) important matters that should be stated or (ii) a material fact that is necessary for avoiding misunderstanding) and will not be liable to any damages for any other liabilities.

5. So long as any of the Bonds remain outstanding copies of the Fiscal Agency Agreement, incorporating the forms of the Certificates and the Deed of Covenant will be available for inspection during usual business hours (except Saturdays, Sundays and legal holidays) at the specified office of the Fiscal Agent.
6. There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Metropolis is aware) during the 12 months preceding the date of this Offering Circular which may have or have had in the recent past significant effects on the financial position of the Metropolis.
7. The yield on the Bonds is ● per cent. per annum. The yield is calculated at the issue date of the Bonds on the basis of the Issue Price. It is not an indication of future yield.
8. The Global Certificate and any Definitive Certificates will bear the following legend:

"Interest payments on this security will generally be subject to Japanese withholding tax unless it is established that the security is held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Metropolis as described in Article 6, paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (a "Specially-Related Party of the Metropolis"), (ii) a Japanese designated financial institution described in Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation of Japan which complies with the requirement for tax exemption under that paragraph, or (iii) a Japanese

public corporation, a Japanese financial institution or a Japanese financial instruments business operator described in Article 3-3, paragraph (6) of the Act on Special Measures Concerning Taxation of Japan which complies with the requirement for tax exemption under that paragraph.

Interest payments on this security to an individual resident of Japan, to a Japanese corporation (except as described in the preceding paragraph), or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Party of the Metropolis will be subject to deduction in respect of Japanese income tax at a rate of currently 15.315 per cent. of the amount of such interest. Any of the foregoing statements, including applicable tax rates and periods, are subject to changes in tax laws and regulations in Japan after the date of this Offering Circular."

9. Where information has been sourced from the publication of a party other than the Metropolis, the source of such information has been identified at their respective occurrences within this Offering Circular, and such information has been accurately reproduced and, as far as the Metropolis is aware and is able to ascertain from the information published by that party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
10. The Legal Entity Identifier (LEI) code of the Metropolis is 353800FABE4GGB1BMO18.

## ANNEX A – METROPOLIS ACCOUNTING STANDARD FINANCIAL STATEMENTS

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The financial statements included in Annex A comprise certain portions of the Metropolis Accounting Standard Financial Statements for the fiscal years 2022, 2023 and 2024 in English (being translations of part of a provisional English translation of the "Reference Material for Annual Accounts of the Tokyo Metropolitan Government: Financial Statements" prepared by the Metropolis, which was originally prepared in Japanese, prepared in accordance with Tokyo Metropolitan Government Accounting Standards (as stated in the notes to such financial statements), and audited by the Audit and Inspection Commission of the Tokyo Metropolitan Government) have been included in Annex A to this Offering Circular.

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